

SELF-FINANCING GENOCIDE

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SELF-FINANCING GENOCIDE

The Gold Train, the Becher Case and the
Wealth of Hungarian Jews

by

GÁBOR KÁDÁR and ZOLTÁN VÁGI



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Preface

Until the 1990s the looting of the wealth of Jews during the Second World War did not get the attention it deserved either in Hungarian or international writings about the Holocaust. Whereas with the collapse of Communism this situation changed in the western part of Europe and overseas, it remained essentially the same in the post-Socialist states of Central and Eastern Europe.

To this very day there has been no reconstruction of the economic annihilation of the Jews or exploration of its broader context, and no existing research findings have been set forth in book form. The authors of the present volume have come to the conclusion that even though they have not yet come to the end of their research on the topic, which has now occupied them for a number of years, it would probably be of some interest both to Hungarian and international readers to have the opportunity to examine their research findings regarding a number of details which the authors think are now unlikely to be decisively altered by future investigation. The authors' choice of subject was of course influenced by the appearance of a large number of news reports and articles, as well as publications of both purely or mainly academic nature in recent years, both in Hungary and abroad, on the aspects they undertook to investigate.

The present book contains some of the findings on a topic which the authors began researching in 1999, since when we have had the opportunity to visit dozens of major archives in five countries: Hungary, the USA, Israel, Germany and Poland. After a few smaller publications, we published our initial results in the spring of 2001 in Budapest. Following the appearance in Hungarian of the volume entitled "The Gold Train—Chapters from the History of Jewish Wealth," several distinguished scholars, recognized experts on the Holocaust both in Hungary and abroad, as well as colleagues, friends and readers have said that this book would probably create an interest outside Hungary as well. Now their wish and

our ambition have been fulfilled thanks to the CEU Press. This is a very different book from the original Hungarian edition, as it incorporates many of our latest research findings, for in the meantime we have had the opportunity to clarify many details, but at the same time have also been confronted with new questions. We therefore decided to make some parts shorter and others longer, and included several entirely new chapters. As a result, approximately half of this volume represents wholly new material, incorporating concepts and results never before published elsewhere.

This volume is dedicated to three aspects of the so far neglected question of the economic annihilation of the Jews: an analysis of how the looting of Jewish wealth was planned and implemented, a life story of one of the main perpetrators, which we follow through into the postwar period, and finally the description of the journey of a certain part of the spoils through many turns of fate.

We begin by describing how the property of Hungarian Jews was expropriated in 1944, explore what the antecedents of the rapid “success” of this process were, and what persons were involved in this plundering of the dead, and follow up with what happened to their stolen wealth. We then proceed to demonstrate that certain Hungarian politicians and intellectuals had already started to make plans for the expropriation of Jewish wealth before Germany’s occupation of Hungary in 1944, indeed even before the first wave of anti-Semitic laws in 1938. As early as the 1920s many wanted to see labor market regulations introduced in order to control Jewish economic “expansion” and to “Aryanize” the wealth of Hungarian Jews. In this book we will attempt to present some measure of the wealth of the largest Jewish communities in Europe, and thus prove by comparative means that not only was the Hungarian Jewish community among the richest in absolute terms, but that as a consequence of its wealth as a proportion of total national assets Hungarian Jewry played a greater role and had more influence on the country’s economy than Jews did anywhere else in Europe. So there is good reason to believe that while for Nazi Germany the primary objective was the physical extermination of the Jews, the looting of the victims being an organic but only secondary consequence of German policy, in Hungary the desire to expropriate their wealth had a decisive impact on the fate of Jews in 1944. So in this book we will look at the amount of wealth looted in the death camps, and follow the trail of the assets extorted from the victims before they were sent to the gas chambers all the way to central government holdings in Germany and Swiss banks, and, via the Hungar-

ian treasury, to the pockets of Hungarian Gentiles—most of whom remained passive bystanders to the deportation of the Jews. After describing how various “thefticide” concepts were implemented to provide rationale for the genocide, we will attempt to prove that in the space of three decades the wealth of Hungarian Jews was expropriated on several occasions. First by Nazi Germany and the collaborating Hungarian government during the Second World War, as well as some members of the Hungarian population and the occupying forces; then by the Allies, who after 1945 only partially restituted such Jewish property as had been evacuated to the West by the Nazis and their Hungarian stooges, preferring to give it instead to the new governments of Austria and Germany; and finally by the Hungarian Communist regime, which not only “nationalized” Jewish businesses and property at the end of the 1940s but sabotaged giving back to its rightful owners the little of Jewish wealth that *was* restituted, and which was guilty of misappropriating most of the compensation received from Western countries in the 1950s, 1960s and 1970s.

Part 2 of this book is dedicated to analyzing the role of one of the key German figures in the wholesale plundering of the Jews: SS-Obersturmbannführer (Lieutenant Colonel) Kurt Becher, responsible for promoting SS economic interests in Hungary and who in that capacity orchestrated and personally benefited from the expropriation of vast amounts of Jewish wealth. Becher was directly involved in most aspects of the Hungarian Holocaust connected with the looting of Hungarian Jews, sometimes playing a more prominent role, sometimes pulling strings behind the scene. His actions and role cannot be clarified without exploring issues which make Becher one of the most controversial and most obscure figures in the history of the Hungarian and the global Holocaust. For many believe that given Becher’s economic influence he was the engine behind such events of decisive importance as the prevention of the deportation of the Budapest Jews, the halting of the exterminations in Auschwitz-Birkenau in the late fall of 1944, and the facilitating of the escape of the inhabitants of the Pest ghetto as well as the prisoners in several concentration camps. However, analyzing these episodes separately we have sought to prove that many of the humanitarian actions credited to Becher either never happened, or were largely motivated by the desire for financial gain and for whitewashing his past with a view to his survival in the postwar era.

In Part 3 we set out to reconstruct the true story of what came to be

known as the Jewish Gold Train, because while it is only one among several chapters in the process of the plundering of Jewish wealth, it nevertheless offers lessons that point far beyond. We describe when and how it was decided to concentrate the property of Jews deported and massacred several months before, by whom and how it was organized to take the accumulated treasures to Austria, and how both Hungarian and German Nazis unsuccessfully tried to seize this wealth in the course of its several months journey until it ended up in American control. Thereafter we present our calculations regarding the real value of the contents of the Gold Train, and will show how certain U.S. officers and soldiers assigned to guard the valuables of the victims in fact purloined property belonging to the murdered Jews. We will explain who claimed authority to decide the fate of the treasure of the Gold Train and in reference to what international treaties and agreements, when their actions were in fact taken in line with political directives motivated by the rules of Cold War logic. Finally we will look into how the liturgical objects of Hungarian synagogues and other assets ended up in Austria and Germany, and how jewels and other valuables belonging to murdered Jews were sold off at New York auctions. From the description of the circumstances surrounding the selection of the contents of the Gold Train, of the conflict between German and Hungarian interests regarding it, of the several attempted robberies and the many twists and turns in the history of the wealth which ended up in the hands of Allied armies, the reader can gain an insight into the sequence of events involving the repeated plundering of the Hungarian Jews, and learn something of previously unknown details of the history of the Cold War era during the 1940s and 1950s.

Hitherto we have covered three chapters in the history of the economic annihilation of Hungarian and European Jews: firstly, the planning and implementation of the expropriation of the wealth of this unfortunate community by various totalitarian regimes over several decades; secondly and thirdly, two particular yet typical episodes, the story of a prominent figure in the history of Aryanization, and the story of a special cargo. While we are of course fully aware that we are not the ones to say the final word on this topic, and definitely not in this book, we nevertheless hope that the information presented may at times offer vistas upon the wider spatial and chronological context and shed light on the essential features of this tragedy.

The authors

Prologue

THE SPECIFICS OF THE GENOCIDE AGAINST HUNGARIAN JEWS

“It is a shame to live. It is a shame to walk under the sun. It is a shame to live.” So wrote the Hungarian writer Sándor Márai in his diary in Budapest a couple of months after Hungary’s occupation by Germany.¹ And indeed there is no doubt that one of the most tragic chapters in Hungarian history was written in the year that followed March 1944. In a short space of time Hungary was occupied by the armies of two global powers engaged in a war to the finish with each other, in the course of which the whole country became a war zone and more than 40 percent of its national assets were destroyed. This was not only a period of irrecoverable loss, but also one that saw the destruction of the Hungarian Jews, the last virtually still intact Jewish community in Central and Eastern Europe. During his 1944 election campaign, President Roosevelt often talked about the persecution of Hungarian Jews, and repeatedly raised his voice in defense of the persecuted not only with Regent of Hungary Miklós Horthy, but even with the Hungarian population. In concert with the U.S. President, outrage was expressed by Eden, the Minister of Foreign Affairs of Great Britain, by Hull, the U.S. Secretary of State, by the archbishops of Canterbury and New York, also by several members of Parliament in London and by members of the House of Representatives and the Senate in Washington. In the summer of 1944 Pope Pius XII and the Swedish King Gustav V demanded that the deportation of Hungarian Jews be stopped immediately. Winston Churchill, the Prime Minister of Great Britain, went so far as to call the extermination of Hungarian Jews the gravest and darkest crime in world history. No wonder. The Hungarian chapter in the history of the Holocaust was unique from several points of view:

a) One in every ten Jews killed during the Holocaust was a Hungarian citizen.

b) The destruction of the Hungarian Jews—the third largest Jewish community in Europe in the summer of 1941 in number, and the second largest in terms of its proportion of the total population—took place towards the end of the war, that is when deliverance was already well within reach, in view of the imminent military defeat of Germany.

c) The Hungarian Holocaust was the final and top point in the history of the European *Endlösung* ("final solution"). The passing of anti-Semitic laws, the stigmatization of Jews by the enforced wearing of the Jewish star, and the rounding-up of Jews into ghettos and collection camps proceeded at unparalleled speed in the spring of 1944, following Hungary's occupation by Germany. Whereas it was nine years from Hitler's coming to power until September 1941 when German Jews were ordered to wear the Jewish star, Hungarian Jews were forced to do so 18 days after the German occupation (April 5, 1944). Whereas it took two years before the Greek Jews were ghettoized after the German and Italian occupation, in Hungary the same final decision was made by the Germans and their Hungarian colleagues in the Ministry of the Interior after 20 days (April 7, 1944), which the Hungarian authorities hastened to implement nine days later, that is on day 29 of the occupation (April 16, 1944).²

d) Never had so many people been deported in such a short time. In Hungary Eichmann aspired to break SS-Sturmbannführer (SS Major) Höfle's "record" of deporting nearly 275,000 people from the Warsaw ghetto to Treblinka, less than 100 kilometers away, in 53 days (July 22–September 12, 1942). In spite of deteriorating infrastructure conditions during the last year of the Second World War and a distance of 400–500 kilometers on average to be covered (and often more than that—the road from Szeged to Auschwitz, for instance, was nearly 700 kilometers long) Eichmann's efforts were crowned with success. According to German statistics, between May 15 and July 9—in the space of 56 days—the Hungarian authorities deported 437,402 Hungarian Jews on 147 trains (with the exception of 15,000 people) all to Auschwitz-Birkenau.³ Moreover, between April and August 1944 the German security police (*Sicherheitspolizei*) assigned to Hungary deported 11,000 to 12,000 more Hungarian Jews to Mauthausen and Auschwitz without the knowledge or involvement of the Hungarian authorities, using special transports (*Sondertransporte*) within the framework of what was called "single operations" (*Einzelaktionen*). Thus altogether approximately 430,000 Hungarian Jews were taken to Auschwitz-Birkenau.

e) The “modern” facilities at Auschwitz-Birkenau—the crematoria equipped with undressing room, gas chamber and furnace all in the same building—never ran with such intensity as in the summer of 1944. Immediately before this the death factory had been idling: during the first four months of 1944 no more than 24,000 deportees arrived at the camp, previously the average figure for one single month (approximately 20,000–25,000 people). But the arrival of Hungarian Jews restarted the process of extermination on a previously unprecedented scale. During the last two weeks of May ten, in June seven, and during the first ten days of July nearly three times as many Hungarian Jews arrived on the ramp at Birkenau as in a “regular” month previously. In the spring of 1944 SS staff renovated the crematoria specifically in anticipation of the arrival of Hungarian Jewish transports, they even dug huge ditches suitable for the burning bodies in anticipation of a potential overload, and built a new railway track so that their future Hungarian victims could disembark from their railway wagons in the direct proximity of the gas chambers, only 300–400 meters away. According to available information, throughout the existence of the death camp nearly 690 Norwegian, 7,500 Italian, 10,000 Yugoslav, 23,000 German and Austrian, 25,000 Belgian, 27,000 Slovakian, 46,000 Czech, 55,000 Greek, 60,000 Dutch, 69,000 French and 300,000 Polish Jews in total were deported to the Auschwitz-complex.⁴ The largest contingent, 430,000 people, came from Hungary. Of the 1.1 million deported Jews to Auschwitz nearly 1 million died. At least one in every three victims, that is nearly 35–40 percent of the total number of victims, were Hungarian citizens.⁵ Had they not been gassed there just before the war ended, it would probably not be Auschwitz-Birkenau but Treblinka that would now be the global synonym for the Holocaust and genocide.

f) The German deportation mechanism, well-established all over Europe and developed nearly to perfection by the spring of 1944, was not as successful anywhere else in the entire history of the Holocaust as in Hungary. One of the main reasons is that while until 1944 SS-Obersturmbannführer (Lieutenant Colonel) Adolf Eichmann, head of the Jewish sub-section of the Reichssicherheitshauptamt (RSHA, Reich Security Main Office), the overarching organization of the organs of Nazi oppression, had directed the destruction of European Jewry from his office in Berlin, in Hungary for the first and last time he personally spearheaded the same process. “I resolved how well a job could be done” Eichmann recalled in the 1950s from his hideout in Argentina.⁶ With this

objective at heart Eichmann recruited his team to be deployed in Hungary from his most tried and tested personnel, men who possessed extensive experience throughout Europe but in the spring of 1944 were left without work. Arriving in Hungary along with the German occupying army, the *Sondereinsatzkommando* Eichmann numbered no more than 150–200 with, the guards, secretaries and couriers all taken together, but the operative staff amounted to not more than 20 officers. Nevertheless it included such figures as Dieter Wisliceny, who in 1942 directed the deportation of Slovakian, and in 1943 the deportation of Greek Jews; Theodor Dannecker, who headed similar actions in France, Bulgaria and Italy; Alois Brunner, Eichmann's deputy responsible for the deportation of Austrian, Czech, French and Greek Jews; SS-Obersturmbannführer Hermann Krumei, formerly a head of the *Umwandererzentralstelle* (Central Resettlement Office) of the Łódź ghetto; Franz Abromeit, former "Jewish advisor" in Zagreb; and SS Captains Otto Hunsche, responsible for legal matters, and Franz Novak, in charge of railway transports. Eichmann was fully aware that even with the assistance of so many tried and tested specialists it was impossible to seek out, concentrate, guard and deport a Jewish community of nearly 800,000 members scattered around a country of 170,000 square kilometers. He knew perfectly well that the key to success lay the cooperation of the Hungarian authorities. This was the underlying concept of the so-called "Eichmann Plan" aimed at the destruction of the Hungarian Jews. As the events of the following months were to demonstrate, Eichmann—known simply as "the Master" in Gestapo circles—was right in his calculations when he built up a good working relationship with the leadership of the quisling Hungarian Ministry of the Interior: in particular with Minister of the Interior Andor Jaross, and his political State Secretary László Baký, but most importantly with László Endre, a public administration expert and leading Hungarian anti-Semite, who became administrative State Secretary responsible for Jewish matters, with whom Eichmann developed an intimate friendship. Eichmann's excellent connections, the atmosphere of administrative anti-Semitism which existed even before 1944, and a certain routine involved in the implementation of the Jewish Laws guaranteed the smooth, indeed enthusiastic support of a nearly 200,000 strong public service and law enforcement apparatus (the police and the *gendarmérie*).

g) The wealth and property of Hungarian Jews was expropriated at unprecedented speed and thoroughness even before the deportations

began. The large number of people who were looted and the quantity of the wealth that was seized as well as the speed with which all this was done made the liquidation of the Hungarian Jews a unique chapter in the global history of the Holocaust. The SS intended to use the wealth of hundreds of thousands of people sentenced to death, which they had accumulated over generations, to prevent the collapse of the German military economy by then crumbling under the burden of running the war machine. At the same time, the Hungarian government wanted to use the expropriated wealth of Jewish individuals and communities to restore Hungary's economic balance, which had been shaken by the need to meet ever intensifying German demands. The spoils were seen as something that could be used to alleviate pressing welfare problems and to underpin the economic base of a collaborating Hungarian government. Like the deportations later on, the expropriation of the wealth of the Jews was the result of concerted action on the part of a nearly 200,000 strong Hungarian public administration, gendarmerie, police and a German security apparatus under SS leadership. Unrestrained looting soon created serious rivalry between German and Hungarian government organizations, not that this was any help to Hungarian Jews, nearly two-thirds of whom perished during the Holocaust. By the spring of 1945 the 250,000 to 300,000 Jewish survivors had lost virtually everything, so in effect economic annihilation was even more successful than the physical liquidation that accompanied it. But this was far from being the end of expropriation. The new-born Hungarian democracy survived for only a couple of years before the country was overtaken by Communist dictatorship. During the brief period of political pluralism until 1948, Hungarian Jews were rehabilitated in the legal sense of the word, but only a fraction of their seized assets was ever returned to them, because the country's economy had suffered such heavy losses during the war that it could not afford to finance the restoration of the previous ownership structure, apart from the fact that the political elite had no intention to do so in any case. Moreover, it would have shaken the new regime to its very foundations to take back Jewish property from the new occupants of the tens of thousands of flats previously belonging to Jewish owners, or from the new Christian owners of formerly Jewish-owned shops and stores which they had "lawfully" or unlawfully acquired during the chaotic period of ghettoization, Aryanization, and deportations. So the economic rehabilitation of Hungarian Jews turned out to be rather selective. To make the situation even worse, the Allies were most reluctant to restitute the sev-

eral hundred thousand tons of possessions and valuables that had been evacuated to the West at the end of the war, one-fourth of which was originally Jewish property, and did so only to a very limited extent. The issue of restitution fell victim to the emerging Cold War atmosphere. Most of the Jewish wealth evacuated to the US, British, and French occupation zones of Germany and Austria was never returned to Hungary; on the contrary, as a strange twist of fate, it was mostly used by the new Austrian and German governments to improve the living conditions of the local population. Whatever was restituted by the Allies often came too late, as starting from 1947 the Communists, who had been gradually getting stronger and stronger, in practice blocked the restitution of seized assets to survivors. The expropriation process culminated in the nationalization of private property in 1948–1949, together with the mysterious disappearance of most compensation trickling in from Germany during the 1950–1970s.

NOTES

- 1 Márai 1998, 154.
- 2 Braham 1997, 1347. László Karsai defines April 15 as the starting date of ghettoization in reference to a summary report of the gendarmerie dated May 30, 1944, while pointing out at the same time that April 16, the date universally accepted by writings about the Holocaust, cannot be unambiguously refuted based on only one source. Karsai, L. 1994, 62.
- 3 According to Plenipotentiary of the Greater German Reich and Minister in Hungary Edmund Veesenmayer's telegram dated July 11, 1944: "Supplement to telegram 1838 dated June 30. I. The concentration and transporting of Jews in Zone V, including the Budapest-suburb raid on July 9 and involving 55,741 Jews, has been completed as planned. The aggregate result of Zones I–V and the suburban raid has now risen to 437,402." Juhász et al. 1968, 881. In his report dated July 9, Lieutenant Colonel of the Hungarian gendarmerie László Ferenczy, acting as liaison officer between the Hungarian Ministry of the Interior and the *Sondereinsatzkommando*, talks about 434,351 "individuals of the Jewish race" deported on 147 trains between May 14–July 9. Karsai and Molnár 1994, 522.
- 4 Piper 1996, 53.
- 5 On the losses of Hungarian Jews deported to Auschwitz-Birkenau see Kádár and Vági 1999, note 23.
- 6 Eichmann 1960a.

Rationality and Holocaust: Self-financing Genocide

I. HUNGARIANS AND JEWS

The medieval Hungarian kingdom was destroyed by the repeated onslaughts of the Turkish army in the 16th century, and for the next 300 years the Hungarian throne was occupied by the Holy Roman emperors of the Habsburg dynasty, with their seat in Vienna. After a series of defeats suffered during the Napoleonic wars, the title of Holy Roman emperor and the Holy Roman Empire formally ceased to exist, being replaced by its legal successors the Austrian Empire and the Austrian Emperor in the beginning of the 19th century. However, the status of Hungary did not change for decades. The standard status quo for constitutional law, which had been in existence for 300 years, ended only in the middle of the 19th century. While only a few generations separated the beginning and end of the period 1848–1920, this was a time of successive fundamental changes in Hungarian history. By March 1848 the Hungarian reform movements stemming from the 1830s and the reaction of the Austrian Empire to them culminated in the Pest Revolution. After a temporary standoff lasting for a couple of months, Austria launched an attack against Hungary, causing all hopes for reforming the absolutist Austrian imperial monarchy to vanish for two decades. The Hungarian Army had defeated the Austrian imperial army, but when the Habsburg Emperor Francis Joseph asked and got help from Nicholas I, tsar of the Russians, the intervention of the 200,000-strong Russian army finally crushed the Hungarian struggle for freedom by the summer of 1849. After this, the country lived under the veil of repression: hundreds were executed or imprisoned, and thousands of Hungarian freedom fighters had to flee persecution. Nevertheless, by now Austrian absolutism could not successfully consolidate its rule, and by the 1860s the desire to prevent the disintegration of a multi-ethnic empire on the one hand, and the threat of external inter-

vention on the other hand, lead to discussions aimed at bringing about an Austro-Hungarian Compromise. After lengthy and heated debate the parties concerned finally reached a compromise solution in 1867: they decided to create a dual monarchy based on the institution of a personal union whereby the head of the Austrian empire was one and the same person as the head of the Hungarian kingdom. The Austro-Hungarian Monarchy was born from an allegiance of interests between the Austrian imperial elite and the Hungarian nobility, inasmuch as it gave both of them supremacy over Slav ethnic groups living on the territory of the Austro-Hungarian Empire (Slovaks, Czechs, Poles, Serbs, Croats, Ruthenians). In the aftermath of its military defeat and occupation in 1849, Hungary suddenly found itself in the position of “co-owner” of one of the largest empires in Europe. For the next five decades the behavior of the Hungarian political elite was determined fundamentally by three paradigms: firstly, the desire to guarantee and as far as possible to expand Hungarian rights as enshrined in the Compromise Agreement; secondly, the determination to ensure the numerical supremacy of Hungarians within the kingdom of Hungary, supported by administrative means if necessary; and thirdly, the resolve to prevent the inclusion of the Slav ethnic groups in the government of the Empire, and the resulting transformation of the dual monarchy into a threefold one.

While the actions of the Hungarian political elite were governed by these paradigms, at the same time modernization was progressing in Hungary with unprecedented speed. The German and Jewish minorities, traditionally more advanced in terms of civil development than the rest of the country's population, won the lion's share of gains in the boom brought on by industrialization, the development of railways and urbanization, all of which took place in just a couple of decades. This was mainly due to the fact that until the First World War and even beyond, the huge majority of the feudal nobility, counting a few hundred thousand members, withheld themselves from “demeaning” professions that entailed doing business with other people who did not possess their rank of nobility, and frowned on “speculation” with money. At the same time, a significant part of Hungary's urban population, which both shaped and benefited from capitalist development, were of German and Jewish origin. In the 19th century the Austro-Hungarian Monarchy—and particularly the Hungarian Kingdom—had a positive, accepting attitude towards East European Jews, both those fleeing mostly from Russian pogroms and those native-born on its own territory. The Hungarian aristocracy,

the country's rulers, treated the Jews as allies in the ever accelerating capitalist development and modernization, but in return demanded from them assimilation, that is the surrendering of a specific Jewish identity as soon as possible. So it is no wonder that Hungary's Jewish population kept fast growing in numbers. While in 1805 there had been 127,000 Jews living in Hungary, by 1850 this number increased to 340,000 and to 625,000 by 1880, and reached 911,000 at its climax in 1910.¹ Accordingly, the proportion of Jews in the country's total population surged from 1.8 percent in 1805 to 5 percent in 1910. In the beginning the increase was caused by immigration from the East, but by the end of the 19th century a higher birth rate and lower death rate resulting from the improved living standards of the urban population—of which most of the Jews formed part—became the dominating factors.

Needless to say, the economic success of the rapidly assimilating Hungarian Jewry created a feeling of antagonism in certain groups who failed to integrate into the stream of capitalist development. The first sign of the birth of organized anti-Semitic political movements was the appearance of Győző Istóczy's anti-Semitic party in 1882. At the time, however, Istóczy was laughed at for talking about the threat of Jewish world rule in Hungarian Parliament, and his "blood charges" condemning ritual killings allegedly committed by Jews were rejected. On May 24, 1882 Hungarian Prime Minister Kálmán Tisza reacted to a speech by one of the leaders of the anti-Semitic party by saying: "My first comment is that it is wrong and worthy of full contempt to call 'base' any race or religious denomination in this country." According to the minutes of this session, parliamentary representatives heartily approved.² It is indicative of how little anti-Semitic feeling there was in the political elite at the time that while just a few years later in France the government and army high command labored to artificially fuel emotions in the Dreyfus case, Hungary's rulers on the contrary, took a firm stance against anti-Semitism and did not encourage it in any way. While the Jewish officer, Dreyfus was wrongfully convicted and exiled in a show trial on false charges of being a spy, in Hungary the false accusations brought against Jews accused of the murder of a young Christian girl in the Tiszaeszlár case were thrown out in court, while after his own defeat Istóczy's political movement gradually waned the next decade. But the First World War brought to an end this "Golden Era" in the relationship of Jews and the Hungarian elite, an alliance built on significant mutual economic and political advantages. While Hungary did not gain independence between 1867 and 1918, it

shared in the government of an empire, and its feeling of being a force to be reckoned with was thoroughly justified. But with 1918 all this came to nothing. Having fought on Germany's side, the Austro-Hungarian Monarchy became one of the losers in the First World War, and the Emperor of Austria and King of Hungary abdicated. Hungary was shaken first by the so-called Aster (Civil) Revolution of 1918, then the subsequent introduction of a Soviet type Communist dictatorship in 1919 and the "red terror" that went hand in hand with it. Next came Hungary's military occupation by Rumania, followed in turn by the takeover the anti-Communist national army carried out under Miklós Horthy. The latter enjoyed the support of the Triple Entente—that is, the Allies—and was the last admiral of the Austro-Hungarian Monarchy's navy and a one-time adjutant of Francis Joseph, the Austrian emperor and Hungarian King, who died in 1916 after seven decades of rule. An extreme right wing "white terror" followed. The independent Hungary born from the ruins of the Dual Monarchy found little favor. Formerly living in the context of a tolerant, multi-ethnic Hungarian empire, Jews suddenly found themselves in a small, xenophobic country where—alongside with the Germans—they were the only remaining relatively large-size and easily distinguished minority.

The painful process of transformation culminated in the shock of the Paris Peace Treaty of 1920. The Peace Treaty, which was signed in the Trianon Hall of the Palace at Versailles, made Hungary, and not Germany or Austria, the main loser in the First World War. Hungary was deprived of 67 percent of its former territory and nearly 60 percent of its former population: its territory was reduced from 282,000 to 93,000 square kilometers, and its population from 18.3 million to only 7.9 million. Nothing demonstrates better the unfairness of this peace treaty than that 4,000 square kilometers of Hungary's former territory was actually given to the other successor state of the Monarchy, the Republic of Austria, which had likewise fought on the losing side. The frustration of the political elite of the new Hungarian state was further aggravated by the fact that more than 3 million Hungarians now living on territories annexed to Rumania, Czechoslovakia and the Serb-Croat-Slovenian Kingdom—later Yugoslavia—(103,000, 61,600 and 20,500 square kilometers respectively) passed under foreign rule. The same Hungarian elite which had oppressed its own minorities in the past now had to witness the same fate visited upon its own kith and kin.

While the Trianon Peace Treaty reduced the number of Jews living on the territory of Hungary from 911,000 to 473,000, their proportion

within the total population was still 5.9 percent, and their economic influence did not diminish either. The Conservative-Christian Horthy regime which came to power in 1919 defined itself as an ideological antithesis to the revolutions of 1918–1919, and at the same time associated these revolutions with Hungarian Jewry as a whole, since many of the leaders of the 1918 democratic and 1919 Communist revolutions were of Jewish origin. Moreover, for the greatest part of Hungarian society the Trianon Peace Treaty signaled the death of the liberalism upheld by the Dual Monarchy, for in reality the Trianon peace pact was a mockery of the very ideals of liberalism, national self-determination and democracy advocated by the winning powers (for instance by President Wilson's "14 Points" declaration). The loudest advocates of these ideals were the same Allies who used the Trianon Peace Treaty to punish Hungary with unprecedented and unfair severity in the name of the power politics they shamelessly pursued. Trianon thus dealt a decisive blow to liberal discourse in Hungary, reducing the word "democracy" into a term of contempt and exiling liberal speech to the organs of expression of only a few narrowly based and elitist intellectual groups. As in the Weimar Republic, the legend was soon born in this new Hungary that the outbreak of the First World War had been really caused by the Jews. As the war enriched primarily Jewish suppliers of the war industry, and as in the fall of 1918 Austro-Hungarian troops found themselves still in control of enemy territory on every front, their defeat was attributed not so much to enemy armies, but was rather brought about by Jews laboring to provoke revolutions in the hinterland. One of the masterminds and disseminators of the legend of a Hungarian "Dolchstoss" between the two world wars happened to be the same László Endre who as a State Secretary responsible for internal affairs came to be in charge of deportations in 1944. In his opinion, Hungary's catastrophe had nothing to do with war-time policies, the hardships suffered by the country's minorities, lack of raw materials or total exhaustion. In 1942 Endre summarized the "realities" of the First World War as follows: "How could we have foreseen the grievous end and the consequences at a time when we had no idea of the diabolical scheme of things which started the war with the bullet of the Jewish Princip [Gavrilo Princip was a Serb terrorist who assassinated Franz Ferdinand, the heir to the throne of the Austro-Hungarian Monarchy, and his wife in Sarajevo in the summer of 1914, the incident which directly triggered the First World War], so that the Jews in this world war could then cause the poverty and ruin of millions of non-Jewish people,

while at the same time obtaining immeasurable financial gain for themselves from war supplies, the concentration and hoarding of goods, as well as the manipulation of commodities and money, thereby promoting their second objective of driving the masses into such a state of discontent as to allow them to bring the war to an end by way of revolutions, which would just suit them? How could we have known then that this was not just happening by chance, but that this had all been planned and decided long ago by the Jews in their Masonic lodges?"³

In reality, only a fraction of Jews ever participated in extreme left-wing political movements, but even so, given the low absolute membership, their percentage rate of participation (nearly 60 percent) was well above their average ratio of the population. 31 of the 45 people's commissars of the 1919 Communist dictatorship were Jews (4 of whom had converted to Christianity earlier on), and most of the leaders of the illegal Communist party were also Jewish.⁴ All this created a paradoxical situation: since radical Communists sought to level the wealth gap in society, so in 1919 the leaders and members of the Hungarian Communist movement, many of whom were Jewish, aspired to take away the wealth not only of the large landowner aristocracy and the Catholic Church, but also of those Jews who dominated industry and banking. Nevertheless, the prejudice was born in public thinking about the existence of an inherent correlation between being Jewish and having a Communist affiliation. Theoretically speaking, this prejudice should have been counterbalanced by another, which equated Jews with liberalism. Instead, a certain part of the Hungarian political elite, irrespective of their own role in military defeat and the oppression of minorities, merged these two contradictory prejudices into one: for them, communism and liberalism were the products of the same Jewish-Freemason conspiracy. In reality, given their financial standing and social experience the vast majority of Jews tended to support liberalism rather than the political left, while the Jewish financial elite, who had adapted to the ways of the Hungarian high aristocracy, tended to prefer conservatism, and played a decisive role in consolidating the Horthy regime. Jews, indeed, participated in the counterrevolutionary movements of 1919, and 15 of the 72 counterrevolution officers who gathered in Szeged in support of Horthy were Jewish.⁵

After 1920 Hungarian Jews pinned their hopes on the expectation that despite the isolated instances of violence and the introduction of the so-called *numerus clausus* (Law XXV of 1920, the first anti-Jewish law passed after the First World War which restricted the opportunities of

Jews to go into higher education),⁶ anti-Semitism would die away with the stabilization of the Horthy regime, which many Jewish bourgeois and petty bourgeois supported in preference to Communist dictatorship. Seemingly they were right, because the discriminative measures of the *numerus clausus* were significantly alleviated in 1928. But in the spring of 1944 the anti-Semitic public discourse, which had been carried on for a quarter of a century, surfaced under tragic circumstances.

2. THE DEMOGRAPHY AND SOCIOLOGY OF THE JEWS BEFORE THE GERMAN OCCUPATION OF HUNGARY

A census conducted by the Hungarian Central Statistical Office in 1930 reported the number and proportion of “Israelites” in Trianon Hungary as 444,567 out of a total population of 8,668,319. The proportion of Jews within the Hungarian population fell from 5.9 percent in 1920 to 5.1 percent a decade later. And the negative trend continued: the next census, held in 1941—the last one before the Holocaust—registered only 400,981 persons of the Jewish faith in Trianon Hungary (4.3 percent).⁷ But in the 11 years between the two censuses many things had happened in Hungary. In the second half of the 1930s, the revisionist Hungarian government developed increasingly close ties with the Berlin–Rome Axis, hoping that this way it would regain the territories which it had lost during the First World War. This calculation did pay off: between 1938 and 1941 with assistance from Germany and Italy Hungary increased its territory on four separate occasions. As a result of territorial revision Hungary increased its population to 14,683,323 by 1941, and its territory from 93,073 to 171,753 square kilometers (Greater Hungary). 324,026 Israelites living on re-annexed territories were added to the 400,981-strong Jewish population of Trianon Hungary, so in the spring of 1941 there were altogether 725,007 Israelites and nearly 100,000 Jews who had converted to Christianity living on the territory of Greater Hungary.⁸

The existence of a “compromise” between the traditional Hungarian elite and the mobile part of emancipated Jewry had traditionally been one of the strongest threads in the web of compromises holding the Austro-Hungarian Monarchy together, even if it had been growing weaker and weaker over the decades. Assimilated Jewish groups were one of the main forces behind Hungarian capitalist development, modernization and the emergence of civil society. Hungarian Jews, many of whom held

important positions in industry, commerce and the liberal professions, were represented in those professions well above their numerical weight within the Hungarian population. From the point of view of personal career chances, the economic development which started after 1848 and began picking up unprecedented speed after 1867 offered the most advantages to Jews, given that they were the most mobile part of the population (56 percent of Hungarian Jews lived in urban locations in 1930), in contrast with peasants who were the largest social group. A high degree of urbanization also signaled the advanced civil development of the country's Jewish population.⁹

Table 1: Israelites as a percentage of the population (1930)

<i>Type of settlement</i>	<i>Jews as a percentage of the population</i>
Budapest (capital)	20.3
Municipal boroughs ¹⁰	14.8
All cities	11.2
All large villages	3.4
All small villages	1.8

Accordingly, Jews were getting the jobs which the Hungarian gentry, in other words the impoverished nobility turned into a middle class social group, had held in contempt and below their rank. Generally speaking in Budapest the half–two-third of the physicians, merchants, attorneys and engineers were Jewish. (Although while the Jews accounted for only 5 percent of the country's population, their proportion was more than 20 percent within the population of Budapest.) Despite the fact that after 1900 the influence of Jewish professionals slowly and gradually started to decline, during the first decade of the 20th century the majority of those choosing the liberal professions were still Jews.

This tendency essentially continued after Trianon, as it is illustrated by table 2 (as already mentioned, in 1930 Jews still accounted for 5.1 percent of the population of Trianon Hungary).¹¹

These percentage ratios would be even higher if we were to include Jews who had converted to Christianity, because the vast majority of converts pursued liberal professions, many of them being members of the legal profession. In 1939, 39.5 percent of practicing attorneys were Jewish, whereas another 18.5 percent either descended from Jewish converts, or converted to Christianity themselves.¹² 10 percent of Christian doctors

Table 2: Percentage of Israelites in liberal professions (1930)

<i>Occupation</i>	<i>Jews as a percentage</i>	<i>Occupation</i>	<i>Jews as a percentage</i>
Doctors	55.2	Bank clerks	59.4
Attorneys	49.2	Officials	19.2
Engineers	30.4	Scientists, writers	31.7
Merchants	45.7	Painters	14.7
Agents	75.1	Musicians	25.0
Accountants	59.5	Actors	26.7

in Budapest were also Jewish converts. Jews (both Israelites 5.1 percent, and tens of thousands of converts) were ten times “overrepresented” in business, finance and trade, as well as among doctors and attorneys as compared to their proportion of the Hungarian population; such a high concentration of “overrepresentation” being practically unprecedented in the whole of Europe. While in Germany, the “birthplace” of the Endlösung, only 4,000 of 55,000 doctors were Jewish (7 percent),¹³ in Hungary this ratio was around 60 percent when converts are included as well. While at the time of Hitler’s coming to power less than 1 percent of Germany’s population were Jews, there were nearly as many Jews in Hungary in 1941 as Jews living in Germany in 1933, in Austria in 1938 and in Czech land in 1939, all taken together. We find similarly high figures only in Lithuania, Poland and Rumania. But by 1941 the situation had changed radically in all these countries: Lithuania was annexed by the Soviet Union in 1940 and one year later Germany moved to have Jews exterminated; more than half of the 800,000 Jews living in Rumania ended up on the territory of Hungary, the Soviet Union, and Bulgaria in 1940; whereas Poland was carved up by the Germans and the Russians in 1939. So there was no other Jewish community like in Hungary anywhere else in Europe during that time, namely one with considerable influence in the intellectual and financial-economic sectors of the labor market, as well as in the economy, especially in industrial production.

We also get similar figures by examining the ratio of Jews employed in trade. Table 3 shows the relative proportion of Jews and non-Jews working in trade in 1937.¹⁴

An analysis of the Jewish community by social status would reveal the same overrepresentation. People of the Jewish faith were three times overrepresented among the wealthiest part of the population, but accounted for less than 1 percent of the poorest (those with an income of

Table 3: Relative proportion of Jews and non-Jews working in trade (1937)

<i>Type of occupation</i>	<i>Total</i>	<i>of which: Jewish</i>	<i>Percentage ratio of Jews</i>
Independent traders	299,203	145,186	48
Officials	73,559	39,131	53
Shop assistants	128,394	36,567	28

183–205 pengő per annum), in contrast with 21.3 percent of the total population. Jews were fundamentally an urbanized social group of bourgeois: over 60 percent were middle class, less than 3 percent agricultural laborers, and only 13 percent industrial workers.¹⁵ This did not mean of course that Jews were exceptionally wealthy in general. According to certain estimates concerning the Jewish religious community made at the time, 90 percent of the Israelite population were poor in 1930.¹⁶ However, given that one-third of Hungary's Jewish population were independent small owners, we conclude that this figure is clearly an exaggeration.¹⁷

After the Trianon Treaty, such little-assimilated groups of Jews as the highly introverted Jewish Orthodox communities in the Máramarosziget area and the Jews of Carpatho-Ruthenia (many of whom did not even speak Hungarian) ended up on the territory of successor states, while the assimilated bourgeoisie stayed on the territory of Hungary. But assimilation, Hungarian consciousness, and Hungarian patriotism remained strong even on territories that were taken away from Hungary and fell under foreign rule between 1920–1938, as indicated by the mother tongue and nationality statistics of the census conducted in 1941 after a series of successful territorial revisions: 585,265 of 724,306 Jewish respondents called themselves Hungarians, and only 139,041 called themselves Jewish. 126,312 respondents named Yiddish as their mother tongue, and 5,659 Hebrew. So those who said that their mother tongue was Hungarian nearly all defined their nationality as Hungarian as well. Yiddish and Hebrew speakers were predominantly Carpatho-Ruthenian and Máramaros Jews, in other words those least effected by civil development.¹⁸ These statistics are noteworthy because they prove that not even discriminative laws and an anti-Semitic public mood could change the loyalty of Jews to Hungary. Up until 1945 Jews resisted dissimulation despite every attempt to the contrary.

Hungarian Jews were highly divided in terms of their religiousness. There were many intermediary stages between the deeply devotional Orthodox Jews on the one hand, and non-believers and converts on the other hand. In comparison with other religious denominations, there was

a high number of non-believers among Jews, which is clearly attributable to the high level of their urbanization and civil development, and the assimilation that went with it.

3. THE ECONOMIC STATUS OF HUNGARIAN JEWS

Many statisticians have taken an interest in the ups and downs of Hungarian civil development. Intrigued by the causes of intensifying social tensions, several well-known statisticians and economists tried to analyze Hungary's economic and social situation, and the distribution of its gross national income. Some of these statisticians were Jewish (Frigyes Feller), while others were anti-Semites (Alajos Kovács, Mátyás Matolcsy), or neutral (for instance Lajos Thirring and Gusztáv Thirring). Their studies were based purely on religious affiliation (i. e. they did not take the converts into account), and willingly or unwillingly all of them arrived at the conclusion that Jews were overrepresented in the Hungarian national economy. Thirring and Kovács were members of the Academy of Science, and Matolcsy virtually revolutionized Hungarian statistics by adapting Anglo-Saxon methodology, so we wish to stress that the professional competence of these statisticians is beyond any doubt.

The overrepresentation of Jews was not the only aspect of social tension in Hungary, of course. The tax reforms of the mid-1920s did not help to alleviate, on the contrary, they only further deepened the already existing social gap, because they changed the distribution of the tax burden in an unhealthy way. The following table demonstrates the distribution of the tax burden in 1926.¹⁹

Table 4: Distribution of tax burden (1926)

<i>Social group</i>	<i>As a percentage of society</i>	<i>Absolute amount of tax liability as compared to total income (%)</i>	<i>Per capita tax liability in pengős</i>	<i>Tax liability as a percentage of income</i>
Workers, small artisans, small traders, owners of less than 100 holds of land	81	38	52	21
Middle class	18	41	264	29
Large landowners, wealthy bourgeoisie	0.6	21	3,990	26

It is clear from the above table that the tax burden was not progressively born by the wealthiest part of the population, in other words despite possessing the most wealth they were not the highest tax payers. In contrast, the middle classes had a strikingly high tax burden. Now if we were consider further that the vast majority of workers, small artisans, and small landowners had to pay 21 percent of their income in tax, despite their living standard being around the subsistence minimum, then the unfairness of the distribution of the tax burden is even more striking. The situation is made even worse, because the above table does not show how indirect taxes (imposed on sugar, salt and other articles of mass consumption widely used by the poor as well) devoured a relatively higher proportion of the income of small earners. So the imposition of high taxes was just as detrimental for the vast majority of Jews belonging to the class of small traders and artisans on the lowest incomes, and even to the middle classes, as it was for their Christian counterparts, while wealthy Jewish large industrialists and bankers paid just as disproportionately little as did the wealthy bourgeoisie of German (Swabian) origins or the Hungarian aristocrats, for that matter.

As it is clear from the above, Hungarian Jews were overrepresented in the liberal professions, in the economy, the financial sector and trade by 5–10 times compared to their proportion of the country's total population. In contrast, they accounted for only 0.8 percent of household workers, 2.5 percent of agricultural workers, and 1.8 percent of agricultural servants. Consequently, the average annual income of an average Christian wage-earner was exceeded by that of an average Jewish wage-earner several times over. This did not of course mean that there was a relevant difference between the income of Jews and Christians working in identical professions: the income of a Jewish versus a Christian doctor depended not on his origin but on his clientele. The apparent large difference between the average income of Christians and Jews was caused not by Jews being wealthy in general, but by the poverty of hundreds of thousands of impoverished Gentile peasants (more than 1 million people, family members included), most of whom had no property whatsoever. So the majority of Jews were relatively better off only in comparison with the staggering poverty of the peasantry, in other words their relative "wealth" would be more precisely defined as "a lesser degree of poverty." If we were to exclude the agricultural proletariat from this statistical analysis, then most of the difference between the average income of Gentile and Jews would instantly vanish. Moreover, by 1941 the situation

changed significantly, partly due to the impact of Jewish Laws on the livelihood of those concerned, and partly because the majority of Jews living on the territories that were re-annexed to Hungary between 1938–1941 had much lower living standards than in Hungary proper (the parent country). This is particularly relevant to Carpatho-Ruthenia and the northern part of Transylvania, which was re-annexed pursuant to the Second Vienna Award in 1940.

At the same time, having greater social mobility and higher qualifications did often cause significant discrepancies. According to Viktor Karády, the anti-Semitic laws that were introduced at the end of the 1930s “discriminated against a social group whose members were relatively better-off at their own level of the social hierarchy than were non-Jewish people situated at an identical level of the same hierarchy.”²⁰ While the vast majority of the Jewish population of Hungary was often better off than a large part of its Gentile population, it is nevertheless a fact that they were not wealthy as such, and so the anti-Semitic ideology encountered in the period between the two world wars, which put forward the notion of the miraculously great wealth of the Jews as a whole, that is of all Jews, was a misrepresentation.

But the 20–30 percent of Jews who *were* better off did undoubtedly dispose of a significant amount of wealth. In 1933 Trianon Hungary’s total agricultural area was 16,173,178 cadastral acres (1 cadastral acre=1.42 acres). Of this Jews owned 790,173 cadastral acres, that is 4.9 percent of the country’s total agricultural area. By adding to this the landholdings of Israelites, we can say that Jews owned or disposed of 1,560,000 cadastral acres in total, that is 9.6 percent of all agricultural land in Trianon Hungary.²¹ But this was only one of several contributing factors to the set of problems called the concentration of land, and the cause of major social tensions. For instance, there was a far wider gap between the proportion of the traditional Hungarian aristocracy within the country’s total population (0.1 percent) and its land ownership rate (20–25 percent), than between the same categories as applied to the Jews (5 percent ratio of the population versus 10 percent of land ownership). Moreover, a fairer distribution of landed property was seriously hindered by the Catholic church possessing nearly 860,000 holds (5.3 percent) of the total land.²²

At the time of the 1930 census, Jews owned 26 percent of tenement buildings in Budapest, and Israelites received 89,287,392 pengős, or 45.1 percent of total house rental revenues (187,797,856 pengős). This clearly

signals that Jewish tenement building owners disposed of the more expensive multi-storey buildings comprising more flats and offering a higher level of comfort.²³ The same conclusion follows also from the fact that while in 1930 every 100 residential buildings in Jewish ownership contained 343 flats or 631 rooms, the national average was typically 141 flats or 204 rooms.²⁴ The unprecedented wealth of the elite of Budapest Jewry even by European standards is illustrated also by the fact that in 1937 in Hungary Jewish tax payers of the Israelite religion alone (15,578 people) possessed 1.214 billion pengős of wealth (2.4 billion U.S. dollars at current value). If we add to this that there was a particularly high percentage of wealthy industrialists, doctors, attorneys and bankers among Budapest Jews who had converted to Christianity, then we can take it for granted that people of Jewish origins owned wealth of 2–3 billion pengős (4–5 billion U.S. dollars today) in the Hungarian capital alone.²⁵

Jews had a uniquely great influence on the dynamically developing Hungarian industry.

Table 5: Participation of Israelites from the ownership of key Hungarian industrial sectors (1935)²⁶

<i>Industrial sectors</i>	<i>Number of industrial estates</i>	<i>Number of Israelite owners</i>	<i>Percentage ratio of Israelite owners (percentage)</i>
Ferrous and metal industry	255	126	49.4
Machinery	161	67	41.6
Public electricity supply	280	21	7.5
Quarry, soil, clay, asbestos and glass industry	528	196	37.1
Timber and bone industry	313	159	50.8
Leather, feather and resin industry	89	61	68.5
Spinning and yarn industry	326	212	65.0
Clothing manufacturing	158	115	72.8
Paper industry	76	44	57.9
Food and consumer goods	944	332	35.1
Chemical industry	250	127	50.8
Printing	111	47	42.3
Total	3,491	1,507	43.2

Particularly influential were the Vida–Perényi–Ullmann dynasties, centered around the Credit Bank and its affiliates, and the Weiss–Chorin–Kornfeld–Mauthner dynasties, controlling the Commercial Bank and its subsidiaries. Other families affiliated to the latter included the Bíró, Fellner and Goldberger families. These few families of

large industrialists and higher bourgeois of Jewish origin, some of whom had converted to Christianity,²⁷ owned a significant part of Hungary's industrial production.²⁸ The exceptionally high level of concentration of industrial production was a typical feature of Hungarian capitalist development. The country's 8 largest banks controlled, by way of various participations, over 72 percent of the country's fiscal capital, as well as control over 60 percent of the country's industrial potential due to various synergies between the industry and bank financing. The Hungarian Commercial Bank of Pest and the Hungarian General Credit Bank were particularly influential among the 8 largest banks, which in 1943 controlled 50.4 percent of Hungary's industrial capital in total. In effect this ratio was even higher than that, as share capital did not fully reflect the actual size of the assets of the companies concerned: in the case of WMM (Weiss Manfréd Művek [Weiss Manfréd Works]), for instance, the latter was far higher.²⁹ These banks and the country's largest corporations were mostly owned by the families listed above. These families, particularly the Weiss–Kornfeld–Chorin–Mauthners, intermarried to form a close interest group. The Weiss family contributed 52 members to the boards of directors of various companies, the Vida–Perényi family 60, the Ullmann family 66, the Kornfeld family 22, the Bíró–Weiss family 16 and the Fellner family 25. The petroleum industry was controlled by the Freund family, the leather industry by the Mauthner and the Wolfner families, and the liquor industry by the Fellners and the Lederer families.³⁰ The Madarassy–Beck family also possessed significant economic influence. In 1939 three companies (Magyar Általános Kőszénbánya [Hungarian General Coal-Mines], Salgótarjáni Kőszénbánya [Salgótarján Coal-Mines], and Dunagőzhajózási Társaság [Danube Steam Shipping Co.]) dominated 68.4 percent of Hungary's coal production, while 100 percent of crude iron production was shared by two companies: Rimamurányi Vasmű [Rimamurány Iron Works] and Magyar Állami Vas és Gépgyárak [Hungarian State Ferrous and Machinery Works]; Rimamurányi Vasmű accounted for 73.1 percent of production alone. Steel production was shared between Rimamurányi Vasmű (Rimamurány Iron Works), Diósgyőr and WMM, whereas aluminum production was the monopoly of WMM alone.³¹ Egyesült Izzó [United Lighting Co.], whose general manager and co-owner was Lipót Aschner, supplied 100 percent of Hungarian domestic market demand for lighting products (lamps) and 60 percent of international sales, and in the late 1930s generated more foreign currency from exports than the entire Hungarian agricultural export.³²

The best indication of the influence of Hungarian Jews on the Hungarian industry was that in 1937, ten of Hungary's ten largest industrial and commercial corporations were in Jewish ownership. Ninety-three (75 percent) were Jewish out of the 124 members of the board of directors of 8 industrial and a commercial companies. The registered capital and capital reserve of these companies was 339.5 million pengő in total (670 million U.S. dollars today), but their real worth was several times higher, due to the added value of technology, warehouse stocks and other property.³³

Starting from 1938, the rising costs of waging war further boosted the profits of the factories owned by the aforementioned families. With a few exceptions apart, companies in the ownership of Christians could hardly compete with them. Moreover, growing German demands and the war industry boom which started in the late 1930s, including a 200 million USD state financed armament and industrial development program in Győr, only further strengthened the position of large Jewish industrialists. In 1943 WMM, which got the contract for a German fighter plane (Jäger) program, was together with its subcontractors involved in investments worth 2.7 billion pengő (the equivalent of more than 500 million U.S. dollars at the time). This sum was nearly double the entire capital requirement of the Győr rearmament program started by the government in 1938, and profits were accordingly high—at least on paper, because the Germans were not quick to pay up.

During the same period, similarly big differences in terms of the distribution of income existed between different Hungarian social groups as compared to the European average.

It is interesting to compare figures in table 6 with table 1 showing the proportion of Jews within the country's total population. While the two tables use slightly different categories for various social groups, we can nevertheless conclude that approximately 30 percent of large landowners / large bourgeoisie, 20 percent of the middle classes, and 10 percent of the working classes in the second table were Jewish by religion. When projected to the distribution of national income, we find that Jews accounted for approximately 14 percent of the country's gross national income, assuming that Jews were equitably represented in various income groups within every occupation. In reality their contribution was far greater than that, because religious statistics classified converts as non-Jews.

The concentration of wealth in Jewish hands was particularly high

Table 6: Distribution of income³⁴

<i>Social group</i>	<i>Number (‘000)</i>	<i>Ratio (%)</i>	<i>Per capita annual income (pengő)s</i>	<i>Income as compared to the average (%) (534 pengő)s, equal to 105 USD =100%)</i>	<i>Percentage of Hungary’s national income</i>
Large landowners and large bourgeoisie	52	0.6	17,800	3,335	18.6
Middle classes	1,582	18.2	1,050	197	33.1
Peasants (10–100 holds*)	1,582	8.6	432	81	13.7
Miners and metallurgical workers	112	1.3	427	80	1.0
Workers	1,903	21.9	376	71	14.3
Independent small artisans	468	5.4	320	60	3.1
Industrial wage laborers	224	2.6	250	47	1.1
Peasants (1–10 holds)	1,750	20.1	227	43	8.1
Agricultural servants	560	6.9	205	38	2.2
Agricultural wage laborers	1,250	14.4	183	34	4.6
Total	8,688	100.0	534	100	100.0

*1 hold=0.57 hectares

in the Hungarian capital, with a Jewish population of 200,000. Of the 269 millionaires of Budapest, 175 (65 percent) were Jewish, and only 94 (35 percent) were Gentile.

Given the disparity of incomes, the decisive majority of large incomes were made in the manufacturing industry, accounting for 49 percent of the GDP (3.5 billion pengő)s in 1937. This 49 percent enriched mostly the Jewish upper bourgeoisie, whereas agricultural income generated by the feudal structure of large estates accounted for a far lesser

Table 7: Breakdown of Jews and Christians with the highest annual income within the population of Budapest (1937)³⁵

<i>Income</i>	<i>Total number of tax payers</i>	<i>Number of Jews</i>	<i>Jews as a percentage</i>
Above 1 million pengő)s	126	105	83.3
Above 100,000 pengő)s	121	102	84.3
Between 30,000–100,000 pengő)s	201	172	85.6

portion of the GDP. The extent to which various groups of large capitalists controlled the Hungarian economy may also be illustrated by the fact that 357 cartels controlled 42 percent of the economy in 1938. Even though there had been an Anti-Trust Act in Hungary ever since 1931, which declared that only written agreements had binding effect and proceedings could be brought against cartels for restricting economic fair competition and thereby “violating the interests of the public economy and the public good,” in reality the government was unable to curtail cartels up until 1938.

The scarcity of funds in the Hungarian economy was a major problem. The viability of the Hungarian economy could be ensured only by an exceptionally high degree of inward capital investment by international standards. By the end of 1931 the country’s external national debt reached 4,309 million pengő (the equivalent of 8.5 billion U.S. dollars today). Foreign capital meant mostly bank capital. Sixty percent of industrial capital was in fact owned by banks, whereas 50 percent of shareholdings in banks were owned by foreign investors. The world economic crisis caused a drastic devaluation of foreign currencies, and so of foreign capital investments. The capital generating capacity of the Hungarian national economy was very weak, amounting to no more than 180 million pengő per annum once the world economic crisis was over.³⁶ In spite of this, the share of Hungarian bank capital kept gaining over foreign capital. While in 1913 foreign capital accounted for 36 percent of total industrial investment, in 1929 this figure was 28 percent and in 1938 only 24.6 percent. Hence we can draw the conclusion that Jewish capital had an extremely high concentration in the otherwise undercapitalized Hungarian economy, something which heavily contributed to the further deepening of widespread anti-capitalist and anti-Jewish prejudices.

As it is clear from table 8, state owned companies accounted for a negligible part of the ownership structure, and independent companies

Table 8: Industrial share capital in a breakdown according to various interest groups (1938)³⁷

	<i>Industrial share capital (in pengő)</i>	<i>%</i>
Hungarian large capitalist groups	528,186,995	60.0
Foreign capital investment	214,080,684	24.3
State owned companies	45,645,000	5.1
Independent companies	94,458,216	10.6

too had only a modest share. Most owners came from the aforementioned Jewish large capitalists. The real extent of their economic influence is best shown by contrasting their share of industrial share capital with the proportion of state ownership: the previously mentioned Jewish or converted Jewish families and Gentile large industrialists together owned 12 times the holdings in state ownership.

Another factor which contributed to the blurring of the distinction between capitalism and the Jews was that till the late 1930s a social insurance system was virtually non-existent in Hungary. Accident and health insurance, pensions, sickness benefits and maternity benefits did exist in the industrial sector, but the standard of these was still very low. As far as working hours, holiday leave and wages were concerned, conditions often resembled nineteenth-century England. Such conditions were of course far from being limited to specific owners, and were not even exclusively a Hungarian phenomenon, because industrial workers were similarly or even more vulnerable in most countries of the Central and East European region. But latent anti-Semitism in Hungary was further fueled by the overrepresentation among employers of Jewish large-scale capitalists. For the same reason, whether because of narrowness of outlook or out of cold political calculation, many saw, and presented to others, what was really a conflict between employers and employees, in other words between large industrial capitalists and their workers, as an antagonism between “Jews” and “Christians.” The truth is that the working and social conditions created by Christian “Hungarian” large industrialists for their workers were no better than those of their Jewish counterparts.

Paradoxically, the finances of Jewish professionals were only improved by the recurrent practice of giving public sector jobs selectively to Christians, because private practice paid much better for doctors, attorneys, and engineers than similar public sector jobs did. After the world economic crisis, savings had to be made mostly in the public sphere, which included staff cuts and pay cuts. The economic crisis caused pay cuts in the private sector too, but it affected successful professionals with extensive experience least of all, and Jews were clearly overrepresented among them in every respect.³⁸ On the other hand, doctors and engineers on a state financed salary were forced to accept a wage cut, but at the same time were not allowed to supplement their income from private jobs.

Predictably, the world economic crisis only further aggravated the disparity of incomes within society. As the price of agricultural products

suddenly plunged to an incredible low level (the price of wheat was reduced from 24 pengő in 1929 to 9 pengő in 1931), masses of farmers went bankrupt as a result. In 1930 alone 160,000 seizures were made due to tax arrears, regularly followed by the auctioning-off of the seized assets. In the absence of solvent local demand, only external buyers had the chance to buy the property being auctioned-off, mostly meaning Jewish medium and wealthy bourgeois, along with ethnic German farmers, who had a tendency to continuously make savings, in other words: people with cash.

The overrepresentation of Jews in terms of their share in the distribution of wealth within society made many people think that capitalism was fundamentally a Jewish phenomenon. This notion inspired many scientists and politicians to make plans for the redistribution of Jewish wealth, and various concepts of nationalization and redistribution, motivated by the rejection of liberal capitalism both from the political right and left, targeted primarily Jewish capital. Accordingly, one set of racist statistics after another was published to demonstrate the “sprawling,” “excessive presence” and “overdominance” of the Jews, all of which exaggerated certainly existing disparities, and as a rule tended to insinuate the existence of a Jewish conspiracy, which—according to them—guided Hungarian Jewry to one main objective: the destruction of Christian Hungary. These theories were not only absurd and had catastrophic, far-reaching consequences, but also completely failed to take into account that the country was in the middle of a process of modernization, thanks to which the economic role of the Christian middle classes was slowly but surely starting to pick up, and which, given the demographic crisis hitting Hungary’s Jewish population at the same time, would have automatically smoothed out these differences within a couple of decades.

4. THE WEALTH OF THE HUNGARIAN JEWS

Several statistical analyses at the time tried to assess the wealth of the Hungarian Jews. Zoltán Bosnyák, a well-known anti-Semitic theoretician, the Editor in Chief of *Harc* (Hungarian equivalent of the Nazi *Stürmer* in 1944) and later the director of the Hungarian Institute for Researching the Jewish Question official set up in 1944, arrived at the conclusion—in reference to data published by the Jewish statistician, Frigyes Fellner—that before the Second World War 20.8 percent of Hungary’s national wealth was in Jewish hands.³⁹

Table 9: Fellner's calculations on the wealth of the Hungarian Jews (1930s)

<i>Asset group</i>	<i>Total value (millions of pengős; 1 USD=5.06 P)</i>	<i>Jewish-owned (millions of pengős; 1 USD=5.06 P)</i>	<i>Jewish ownership %</i>
Landed property	11,520	1,125	9.8
Mines	1,460	908	62.2
Housing and land in Budapest	2,510	1,370	54.6
Housing and land in towns and cities outside Budapest	1,548	310	20.0
Housing and land in small villages	1,578	88	5.6
Farm buildings exempt from property tax	1,576	157	10.0
Factory buildings exempt from property tax	427	321	75.1
Livestock	1,530	153	10.0
Agricultural machines	520	62	12.0
Wheat stock	210	21	10.0
Factory inventory and warehouse stock	594	446	75.0
Household movables	1,562	234	15.0
Total	25,035	5,195	20.75

According to these statistics, the wealth of the Hungarian Jews equaled more than one-fifth of the total national assets. But Fellner's calculations were made back in the 1930s, and the right-wing writer and journalist Bosnyák often made his own arbitrary calculations regarding the share of the Jews in these national assets, based on Fellner's figures. Another problem with these statistics is that they do not reflect, or only partially reflect the share owned by Jewish converts, whereas they too were treated mostly as Jews by the Jewish Laws in Hungary. Working within the same parameters, another anti-Semitic scientist, Alajos Kovács, stated that Hungarian Jews owned 20–25 percent of the country's total national assets in 1938.⁴⁰

There are other calculations which attempted to derive the total wealth of the Hungarian Jews from the annual national income. Mátyás Matolcsy wrote in *Magyar Élet* that in 1930–1931 Hungary's national income was 4,636 million pengős, of which the Jews accounted for 24 percent (1,112 million pengős). An article published by László Nagykálnai Levatic in *Budai Hírlap* in January 1935 presented the author's calculations in relation to the year 1934. According to this, Hungary's

national income was nearly 2,300 million pengő in that year, of which Jews accounted for 28.26 percent. Of these two calculations the one made by Matolcsy, who was an economist, seems to be more accurate, as Levatich, who was more of a layman, adopted a not very professional method: for instance he arbitrarily reduced by 100 million pengő his final calculations regarding the share of the Jews, in order to “eliminate various sources of error.”⁴¹

There are contemporary calculations which defined the size of Jewish wealth as an absolute amount rather than in percentage terms, including several estimates of the size of the total assets of Jews living on the territory of Hungary in 1941. On the basis of Jenő Lévai, Randolph L. Braham estimates this wealth at 7–9 billion pengő.⁴² The right-wing economist, Mátyás Matolcsy, who addressed this issue more thoroughly than others, estimated the total Jewish wealth on the territory of Greater Hungary at 12 billion pengő, while the anti-Semitic statistician Alajos Kovács arrived at the figure of 7–9 billion pengő.⁴³ Writings published in 1944 in extreme right-wing newspapers estimated total Jewish wealth at 16–20 billion pengő, on the basis of the raw material of censuses and surveys initiated as a result of the appearance of anti-Semitic administrative decrees.⁴⁴ It is instructive to compare these calculations, inclusive of the wealth of several hundred thousand Jews living on territories that were re-annexed to Hungary from Rumania, Czechoslovakia and Yugoslavia between 1938–1941, with Frigyes Fellner’s calculations for Trianon Hungary’s territory before territorial revision began. As already mentioned, Fellner estimated the wealth of Hungarian Jews in the 1930s (based on religious statistics) at 5.2 billion pengő, that is the equivalent of nearly 1,025 billion U.S. dollars. Much of the increase experienced in subsequent years is explained by the omission from Fellner’s survey of several major asset components, as a result of which he did in fact underestimate the real value of Jewish wealth.⁴⁵

In March 1941, 100 pengő equalled 19.77 USD, in other words 1 USD was the equivalent of 5.06 pengő.⁴⁶ So according to different estimates, the wealth of the Hungarian Jews (7–20 billion pengő) translates into 1.38–3.95 billion U.S. dollars. After the Second World War, the exchange rate of the U.S. currency changed significantly, so 1 USD in 1945 was worth 8.9 USD in 1997.⁴⁷ By comparing 1941–1945 with 1997–2001 we find that the U.S. currency was nearly ten times stronger during the years of the Second World War than at the turn of the 21st century. Accordingly, based on contemporary estimates Hungarian Jews

owned wealth worth 13.8–39.5 billion U.S. dollars at today's value. The calculations of extreme right-wing non-professionals from 1944 (16–20 billion pengő) appear to be highly exaggerated, the calculations of economists and statisticians (Matolcsy and Kovács) being perhaps more reliable. But such unrealistic figures, and even ones much higher than those quoted above, were widely believed by public opinion, partly because calculations regarding the concentration of industrial and bank capital were published much sooner than similar calculations for small ventures, and the participation of Jews in the former was indeed as high as 50–70 percent. Accordingly, Henrik Péchy, one of the founders of the Arrow Cross movement, estimated the ownership by Jews of Hungarian national assets at 60 percent in general in 1937, and the figure appeared credible by many, despite its untruth.⁴⁸

By evaluating such estimates in the light of the well-foundedness of the calculations on which they were based, we believe that in 1941 the total assets and wealth of Hungarian Jews (including movables, immovable property, cash, shares, household items, clothing, bank deposits, etc.) were worth nearly 7–12 billion pengő, or the equivalent of 14–24 billion U.S. dollars at current value.⁴⁹ The accuracy of this estimate is however significantly influenced by the inconsistencies we encounter even in the calculations of authoritative statisticians. These investigators on the one hand classified as Jews the large industrialists (at least the owners of large, well-known properties) who had converted to Christianity quite some time before the passing of Jewish Laws and were therefore exempt from them, while exclusively relying on religious statistics in relation to the petty bourgeoisie and professionals, as a result of which the wealth of converts was—at least to some extent—omitted from the latter calculations. So according to our conservative estimate, in 1941 the total value of the wealth of Hungarian Jews, i.e. the 825,000 citizens subject to Jewish Laws, was at least equal to, but perhaps even higher than 20 billion U.S. dollars at today's value.

These are of course only estimates, but they do nevertheless give an idea of the scale of Jewish wealth. A smaller portion of this wealth was taken away from Hungarian Jews during the enforcement of Jewish Laws, while the larger part was seized in 1944–1945.

Even though various approaches exist, they all point in the same direction. Whereas the 825,000 Jews—whether converts or loyal to their Jewish faith, whether Zionists or Hungarian patriots, whether living in Hungary's towns and cities or villages in the mother country or territo-

ries re-annexed to it—accounted for only 5–6 percent of the country's population, at the same time they possessed 25 percent of its annual national income and 20–25 percent of its total national assets. This wealth was of course not spread out evenly across society, either geographically or in terms of individual industrial sectors. There was a big difference between the economic potential of Jews living on the territory of Trianon Hungary and those living on territories that were re-annexed to it between 1938–1941 (the former being much higher).⁵⁰ Generally speaking, Budapest Jews were better-off than their counterparts living in rural Hungary, and the same could be said for well-established doctors and attorneys in comparison with small traders and shoe-makers. Similarly, while Jews owned or controlled nearly 50 percent of Hungarian industry, and 50–75 percent of the banking sector and trade, their participation was as low as 10 percent in the agriculture. The greatest wealth was in the hands of Jewish large industrialist and banker dynasties from Budapest, most of whom had converted to Christianity. This included a couple of dozen families who not only owned a high proportion of Jewish wealth but also possessed a virtually unprecedentedly high concentration of economic and—at least for a certain period of time—political influence by European standards. The economic and political significance of these statistics is best understood by taking into account the fact that discrimination against 5–6 percent of the country's population opened the way to the redistribution of 20–25 percent of national wealth. Thus, given the scale of this wealth, the looting of the Hungarian Jews could promise an enormous profit, an income, which was unprecedented in the continent.

5. THE WEALTH OF HUNGARIAN JEWS IN INTERNATIONAL COMPARISON

Up to the present day, historiography has not been able to give a reliable answer to the question about the size and value of the total wealth of European Jews during the Second World War. We will probably never know the exact figure, and even approximations would have to be preceded by comprehensive international research in the countries concerned, using standard methodology. A statistician of the World Jewish Congress (WJC), Nehemiah Robinson, tried to set up a model for the wealth of Jewish communities living in countries under German occupation, based on prewar per capita wealth estimates for each of the countries concerned. According to Sidney Jay Zabludoff, who relied on Robin-

son's calculations, the wealth of Jews living on the territory of countries under the rule of the Nazis and their collaborators during the Second World War was worth nearly 12.85 billion U.S. dollars at 1945 value, which would correspond to ten times its equivalent, or nearly 130 billion U.S. dollars today. Central and East European Jewish communities were the wealthiest, while Jews living in Western Europe possessed the highest living standards. The wealth of German Jews was 3 billion U.S. dollars (23 percent of the wealth of European Jews in total, the per capita wealth being 5,200 U.S. dollars), roughly equal to the wealth of Polish Jews, a six times larger community, with a per capita wealth of only 900 U.S. dollars. The total wealth of French Jews was 800 million, of Dutch Jews 510 million, and of Belgian and Italian Jews each 100 million U.S. dollars, and in these countries one Jewish individual possessed wealth valued at 3,000 U.S. dollars on average, whereas the same figure was 3,900 U.S. dollars for the Netherlands. According to Robinson and Zabludoff, Hungarian Jews possessed—after Germany and Poland—the third largest amount of wealth (1.6 billion U.S. dollars) even before the Second World War, that is without the territories and their Jewish population recovered between 1938–1941, this amounting to 13 percent of European Jewish wealth in total. Hungary was the fourth in rank in terms of per capita average wealth, surpassed only by the Jews of Germany (5,200), the Netherlands (3,900) and Austria (3,300).⁵¹ The major problem with these estimates is that they are only for the countries and their borders as they existed in 1937, whereas the destruction of the Jews, both in the physical and economic sense, took place between 1941–1945 under geopolitical conditions which had completely changed between 1938–1941: Czechoslovakia, Austria, Poland and Yugoslavia ceased to exist, more than half of the Jews of Rumania, a very heterogeneous community both in terms of mother tongue, culture and identity, ended up on the territory of the Soviet Union or Hungary, the Jews of Austria and Germany were joined when they became part of a single state, while hundreds of thousands fled to neutral countries such as England and other Western states, thereby increasing the number of Belgian and French Jews.

In her recently published, well-documented book, Helen B. Junz reports the following estimations in term of the Jewish wealth in different European countries. She estimates the pre-war Jewish owned wealth 2.6–2.9 billion RM (1–1.2 billion dollars) in Austria, 1.65 billion fl (875 million dollars) in the Netherlands, 32.6 billion francs (roughly 2 billion dollars) in France, 13.3 billion zlotys (2.5 billion dollars) in Poland.⁵²

Different estimates exist on the size of the wealth of Jews living on the territory of the Reich. According to Raul Hilberg, probably the most reliable author of the period, the Nazis collected nearly 900 million marks from Jews between 1933–1940 in the form of a so-called flight tax, which was introduced in 1931 and amended in 1934. The flight tax meant that those wishing to emigrate were taxed on their assets at a rate of 25 percent. The 1 billion Reichsmark (RM) levied by Göring's order after the Kristallnacht (Crystal Night) pogrom in 1938 had to be paid in 4 installments by the spring of 1940 at the latest. (The German budget year started on April 1 and lasted until March 31 of the next year.) As a result of overzealous tax collection, approximately 1,126 million RM were collected in the end. According to the findings of a property census conducted in April 1938, 136,000 German Jews with an obligation to report their property (women with children, children, etc. were exempt from taxation and consequently also from having to report) declared assets worth 7.05 billion RM. There were 9,567 Jews of foreign nationality, who declared 415 million RM, while 2,269 Jews without nationality declared 73.5 million RM. The survey included Austrian Jews, but did not include Czech Jews yet, of course. The 12,000 Jews of foreign nationality and without nationality were required to report only their possessions in Germany. The seized assets of German and Austrian Jews amounted to 10–12 billion RM in total, that is to nearly 40–48 billion USD at current value, including miscellaneous items (for instance, no declaration had to be made for wealth below 5,000 RM, assets ceded to friends and colleagues, and furniture and personal belongings not subject to a reporting obligation), nearly one-sixth of which was owned by Austrian Jews.⁵³ Jews of foreign nationality and without nationality owned 480 million RM, excluding the above listed items, consequently their real wealth was 600–700 million RM, or nearly 2.4–2.8 billion U.S. dollars at current value. In terms of Germany, Helen B. Junz gives us a bigger number, when she puts the Jewish-owned wealth around 16 billion RM (64 billion dollars at present value) before the Nazis came to power in 1933.⁵⁴

A number of different estimates exist also on the wealth of Jews living in France. Robinson and Zabłudoff estimated the wealth of Jews with French nationality alone at 800 million U.S. dollars at 1945 value (the equivalent of 8 billion USD at current value), but did not include either the number or the wealth of displaced persons living in France.⁵⁵ According to a study published in 1962, the per capita wealth of Jews living in France and Austria was roughly identical. As these two Jewish communi-

ties were roughly of the same size in terms of numbers as well, according to this estimation the wealth of Jews with French nationality was 600 million U.S. dollars in 1945, the equivalent of 6 billion U.S. dollars today.⁵⁶ However, to this should be added the wealth of nearly 150,000 Jews living in France and having other than French nationality, but no specific calculations exist on this. According to Helen B. Junz the Jewish wealth in France was 32.6 billion francs which amount was equal to 861 million dollars using the exchange rate of 1935 (USD 1=FF 37.85) or 1.95 billion dollars if we take the rates of 1937 (USD 1=FF 16.71) into consideration.⁵⁷ Consequently, the aggregate wealth of Jews with French and other nationality and Jews without nationality who lived in France during the Second World War could be estimated at up to 6–10 billion U.S. dollars at the current exchange rate. In contrast with this, the Matteoli Commission set up in the 1990s to investigate the looting of Jewish wealth concluded that while nearly two-thirds of the assets seized (worth nearly *1 billion U.S. dollars*) was restituted to the owners or their heirs after 1945, more than 300 million U.S. dollars worth of assets still remained in the hands of various governments after the War was over.⁵⁸

According to various estimates, the wealth of Jews living in Belgium (whose number Zabłudoff and Robinson estimated at 65,000, with many displaced persons once again omitted) was worth nearly 1 billion U.S. dollars at current value.⁵⁹

According to the latest research, the value of the wealth seized from Jews living in the Netherlands was equivalent to nearly 1 billion guilders (nearly 5–6 billion U.S. dollars today).⁶⁰ Zabłudoff's estimates are roughly identical with this (510 million U.S. dollars in 1945, worth nearly ten times that amount today). One-third of this was confiscated shares and securities, another part was assets acquired by German companies, but most of it was resold at the Amsterdam Stock Exchange by the Germans at a profit of nearly 110–115 million guilders. The Aryanization of Jewish companies caused Jews a loss of 150–300 million guilders, while pursuant to a law Jews were refused payment under their insurance policies to the amount of 25 million guilders. Helen B. Junz comes to a little higher number writing that the Jewish wealth in the Netherlands could be amounted to fl 1.65 billion (using the rate of exchange of 1939 USD 1=fl 1.87, approximately 890 million dollars).⁶¹

Until the fall of 1938 there were 360,000 Jews in Czechoslovakia. According to various German, Czechoslovak, and British statistics, their wealth was worth nearly 600–1,000 million U.S. dollars at the time.

Czech-Moravian and Sudetenland Jews had far more possessions than their Slovakian counterparts: while the former owned nearly 70 percent of Jewish wealth, the latter disposed of only around 20 percent, the poorest being the Orthodox Jewish communities of Carpatho-Ruthenia bordering the Soviet Union. Given the existence of very big differences between the economic development of individual regions, Czech Jews were three times better off on average than their Slovakian counterparts, and eight times better off than their fellow Jews living in the Eastern Carpathians.⁶² So, all in all, the average wealth of Jews living in Czechoslovakia stayed below the income level of Jews in Trianon Hungary, while Czech Jews were considered better off not only than their Hungarian, but also than their German and Dutch counterparts. Yet, by 1939 the Czechoslovakian state collapsed: Sudetenland was annexed by the Reich, Czech-Moravia was occupied and transformed into a Protectorate, South Slovakia and Carpatho-Ruthenia, with a Jewish population of nearly 146,000, was re-annexed to Hungary, while the rest of Slovakia became a Nazi puppet state with only the outward appearance of independence. The Nazis and their Czech collaborators were the prime beneficiaries of Aryanization measures, because they expropriated the wealth of the 120,000 wealthiest Jews, but the state of Slovakia too completely fleeced its 90,000 strong Jewish community. Jews living on the territories annexed to Hungary in 1938–1939, who were worse off than the Hungarian average, were deported to Auschwitz in 1944 by the collaborating Hungarian government, and their wealth was subsequently either acquired by Hungary's population or confiscated by the Hungarian authorities. A significant part of the latter was subsequently turned over to the Red Army in part satisfaction of Soviet demands.

Processes of an opposite tendency, yet having an identical effect, unfolded in Rumania. According to 1940 statistics, 729,000 Rumanian Jews accounted for 4.2 percent of the country's population, being the third largest non-Rumanian ethnic group, after the Hungarian and German minorities. Rumanian Jews occupied leading positions in the financial sector and trade, every second active Jewish worker being employed in one of these industries. Despite only 4.1 percent of them being employed in the agricultural sector, Jews had significant influence over agriculture because they controlled vast landed estates in tenure, far beyond their direct rate of participation.⁶³ However, in the summer of 1940 North Transylvania was re-annexed to Hungary and with it its mostly Hungarian Jewish population of 150,000, or even higher, as the Jewish Laws effective in

Hungary covered converts as well, even though then they were classified as Christians in statistics regarding religion. As North Bukovina and Bessarabia, with 275,000 Jews living on their territory, were annexed to the Soviet Union, only about 300,000 Jews were left in Rumania by the spring of 1941. Employment figures for the remaining Jews continue to indicate overrepresentation in the country's economy and financial sector as well as in the liberal professions: 21,000 Jews were self-employed, 31,000 held various offices in the private sector, and more than 1,800 of them were doctors.⁶⁴ Differences in the level of development of different regions were typically found in Rumania too: while the Jews of Bukovina and Bessarabia, territories that became annexed to the Soviet Union, were very poor in comparison with other parts of Europe, their counterparts living in the Rumanian capital Bucharest, in industrial regions, and in Transylvania were generally better-off than the Rumanians themselves. According to Zabludoff, in 1940 the 729,000 strong Jewish population of Rumania (Zabludoff erroneously talks about 850,000 Jews), which was extremely heterogeneous in terms of wealth, possessed 56 percent of the wealth of the 490,000 Jews living in Hungary at 1945 exchange rates in total, while the per capita wealth of Jews living in Rumania was only one-third of the Hungarian average.⁶⁵ During the Second World War, Jews living in different regions of Rumania met a widely different fate, but they were all equal in one thing, namely in being completely fleeced. Jews living on territories recovered from the Soviet Union in the summer of 1941 were robbed and massacred by the Rumanian army and gendarmerie for allegedly being Bolshevik agitators, Hungarian Jews living in Old Rumania (under Rumanian control throughout the period) and in South Transylvania had their assets seized. Even though their deportation originally planned for 1942 and already agreed with Germany never took place in the end, the Rumanian state repeatedly imposed various levies on Jews. Finally the Jews of North Transylvania were deported and systematically looted by the Hungarian authorities in 1944.

As far as Hungarian Jews are concerned, separate mention needs to be made of Jews living in Bácska (the Souther Province which is the northern part of Serbia), which was occupied by the Hungarian army with German assistance in April 1941, despite the conclusion of an "agreement of eternal friendship" between Yugoslavia and Hungary only a couple of months before. There were 14,000–15,000 Jews in Bácska, whose average wealth corresponded to the average for the whole of Yugoslavia, or to approximately 50 percent of the average for Hungary

(3,200 versus 1,500 U.S. dollars per capita), their total wealth probably being 20–30 million U.S. dollars at the time. Hungarian troops marching in imposed a levy of nearly 1 million U.S. dollars (5 million pengő) on the Jews of Újvidék, the largest Yugoslavian city re-annexed to Hungary, though the Jews could pay only 70 percent of this.⁶⁶ Less than a year later, in January 1942, the Hungarian army and gendarmerie massacred more than 3,300 people in and around Újvidék on the excuse of hunting for partisans, this figure including at least 700 Jews. The killings were accompanied by looting. In this region the remainder of Jewish wealth was devoured by the Jewish Laws introduced in Hungary and the deportations of 1944, when the Jews of Újvidék were coerced by the Eichmannkommando to pay 2 million pengő.

To summarize: in 1941 the number of Hungarian Jews included 825,000 who were classified as Jews by the Jewish Laws effective in Hungary at the time. 490,621 of them lived in Trianon Hungary (the country's area between 1920–1938), while 334,386 lived in parts that were re-annexed to Hungary between 1938–1941 in four stages.⁶⁷ Had the Jews of Hungary and of neighboring countries possessed the same living standards and the same amount of per capita wealth as Jews living in Trianon Hungary, then the former would have owned 40 percent of the Jewish wealth of Greater Hungary, i. e. the country's territory between 1941–1944. But this was not so: according to the fragmentary information we do have, we can conclude that compared to the average per capita wealth of Jews living in the parent country, their counterparts in Carpatho-Ruthenia owned only one-fourth to one-fifth, those living in southern Slovakia owned 50 percent, those living in Bácska owned nearly 40 percent, while those living in north Transylvania owned one-third or 50 percent at most. So the Jews of the re-annexed territories owned 15–20 percent of the entire Jewish wealth in 1941, in other words 2.1–4.8 billion U.S. dollars of the total 14–24 billion U.S. dollars at current value.

It is clear from this brief and selective outline that the wealth of the 825,000 Jews living on the 1941–1944 territory of Hungary was huge even by European standards. The wealth of Hungarian Jews, calculated at 14–24 billion U.S. dollars at current value, was nearly half of the wealth of the German and Austrian Jews (more than 40 billion U.S. dollars), came close to the total wealth of the more than 3 million Polish Jews, and far exceeded the value of the assets of the nearly 4 million Jews living in the Western parts of the Soviet Union (Byelorussia, the Ukraine and the German occupied parts of Russia). Hungarian Jews owned at least as many

shares, factories, bank deposits, immovable and moveable property, and cash as the nearly 1–1.1 million Jews living in France, the Netherlands, Belgium, Italy, Greece, Serbia, Bulgaria, Croatia, Norway, Finland, Denmark, Luxembourg, Latvia, Lithuania and Estonia all taken together at the beginning of German occupation. Looting these Jews opened the way for the redistribution of the largest and most significant property pool in Europe in proportion to the national wealth, and the third largest in terms of absolute value. So it is not by chance that in Hungary many were making plans for the “nationalization” of Jewish wealth and a “changing of positions,” meaning the weakening of the position of the Jews in the labor market, well before the Jewish Laws were introduced, and decades before the country’s German occupation in 1944. This is how the looting of Hungarian Jews—which unfolded gradually over several years before taking on an incredible speed in 1944—could become one of the largest and most efficient schemes of thefticide in world history.

6. FROM CRISIS TO CRISIS: ANTI-SEMITIC CONCEPTS AND PRACTICE (1919–1936)

The issue of redistribution of ownership was at the focus of attention of many politicians and economists in Hungary between the two world wars. Experts agreed that the semi-feudal disparity in the distribution of wealth was an obstacle in the way of the modernization of Hungarian society. Intensifying social tensions were a good excuse for those advocating solutions based on the use of force. This was rooted in the pre-World War I era, but then anti-capitalist and anti-Semitic movements could not really take off ground, partly due to the unfolding of an altogether uniquely intense economic development and boom between 1867–1914, and partly due to the tolerant and accepting approach adopted by the Hungarian political elite. At the same time there were some signs indicating with increasing definiteness that already at this time an anti-capitalist feeling was starting to be formed not only in certain extremist segments of the political elite itself, but also in wider social groups, one that demonstrated anti-Semitic elements as well. Seeing its economic-political influence slipping away, the gentry blamed capitalism, and particularly the Jews, for its fate. At the beginning of the 20th century, political anti-Semitism using anti-capitalist arguments flared up afresh. The advocates of modern Christian-Socialism and politicians, and political writers traditionally belonging to

the anti-Semitic camp interpreted social demands as directed fundamentally against “Jewish capital,” and described the disorders of the economy as “Jewish” phenomena. The complete blurring of a distinction between capitalism and the Jews marked the start of a tragic process. Later Hungarian intellectuals and the political elite—with the exception of the extreme political left—formulated their critique of capitalism from the common integrated platform of anti-Semitism. Consequently, even otherwise progressive programs and concepts put forward during the next few decades, which were based on the recognition of the need for social reforms and the inclusion of ever wider social groups in the distribution of income within society, were based on the false but axiomatic assumption that the living standards of the Hungarian population could be improved only by confronting Jewish interests. The experience of the Communist dictatorship of 1919 caused the further radicalization of this theory: under the new conservative Christian regime more and more people believed that social reforms could and ought to be carried out by confronting Jewish interests, and moreover, by adopting measures that were specifically detrimental to Jews.

Near to the end of the First World War, in August 1918, comments regarding the wealth of the Jews started to be made openly in the Hungarian parliament for the first time during a debate about public food supplies, more specifically in reference to war suppliers and “Galician” merchant chains.⁶⁸ It was common knowledge that Jews were overrepresented in terms of their share from national wealth (as indeed were the Hungarian high nobility and the Church). Awareness of this, combined with the existence of acute social tensions, drove many politicians of democratic views to make plans for redistribution. The turn of the public mood against large capitalists affected mostly the large Jewish bourgeoisie of course, and the anti-Semitic sentiment was made even worse by the experience of the few months of Communist dictatorship in 1919. In practice a paradoxical situation was born, whereby Hungarian Jews were caught between two fires over the next few decades: on the one hand they were portrayed by the extreme political right as Bolsheviks and anti-Hungarian oppressors, and on the other hand they were seen by the extreme political left as decadent petty bourgeois and capitalists exploiting the proletariat. On coming to power, the supporters of both views wanted to lay their hands on the wealth of Jews, but this was only the first step. The extreme political right also wanted to liquidate Jews as a race and religion (and in 1944 as a group of human beings), while

the extreme political left was determined to liquidate them as a harmful social class.

The Communist dictatorship lasting for 133 days fell on August 1, 1919, with the Rumanian army's intervention. The Hungarian political scene was swept by a wave of anti-Semitism. The first anti-Semitic mass fighting between university students broke out only a few days later (on August 5, 1919) at the Budapest medical faculty, but the disturbance continued even on the next day at the Technical University and various locations in Budapest. "Christian" students beat Jewish students and chased them away from university buildings, and started setting up anti-Semitic armed squads. A meeting of Technical University students put forward the following demands: "Our goal is a Christian-Nationalist, independent Hungary... In line with the memorandums of the students of other university colleges, we demand the banning [from higher education] of all Jews and Bolsheviks." Teaching staff were helpless in the face of the sheer force unleashed. In view of constant brawls, on August 22 the Ministry of Religion and Education ordered a statutory break in the semester, which lasted for one month. The idea of introducing a *numerus clausus* ("closed number"—Latin)—that is, making sure that students coming from individual ethnic groups would be admitted to universities strictly in proportion with the percentage rate of their group within the country's population—was first conceived by the management of universities on August 31, then still without any anti-Semitic overtones. A few months later, in February 1920, universities could not come to an agreement about the proposal even after a debate, and in March spontaneous mass fighting flared up once again between Jewish students trying to enroll on their university courses on the one hand, and Christian students trying to prevent them on the other hand. Once again the semester could not be started. Between March and June several demonstrations were held, where thousands of university students demanded not only the introduction of the *numerus clausus* regulation, but also an "institutional and economic solution" to the Jewish question.

The political elite had to respond to the demands put forward by a certain part of Gentile professionals and radical students. First the governing party started debating the *Numerus Clausus* Bill on August 11, 1920, then the Parliament on September 2, 1920. The idea of anti-Semitic discrimination gained support from some parliamentary representatives as well, and what is more, many of them had even more extreme views than the students themselves: already at this time several

members of parliament called for a *numerus nullus* (that is, the complete exclusion of Jews from Hungarian universities and certain professions) and the resettlement of all Jews. MP László Budaváry, for instance, shouted during a parliamentary session: "All Jews ought to leave Hungary in 24 hours," another MP demanded a *numerus nullus* between the teachers in certain faculties, while future Hungarian Prime Minister Gyula Gömbös proposed that the participation of Jews should be limited to 5 percent in every occupation and Jews should not be allowed to be army officers. Soon other proposals were tabled concerning the wealth of Jews, suggesting for example the drawing up of a nationwide register of Jews, and the Aryanization of Jewish businesses in the same spirit as the *numerus clausus*.⁶⁹ The argument, which the governing party was to use frequently two decades later, first appeared during the debate of this bill, that a statutory regulation was needed, which allowed the government "to take out the wind from the sails of the extremists." While between 1938–1944 the principal cause for concern was the anti-Semitic fanaticism of the Arrow Cross (the Hungarian Nazis), in 1920 the government argued that there was a danger that in the absence of an anti-Semitic law the anti-Semitic organizations of university youth could take the resolution of the problem into their own hands "in accordance with their own temper," that is by way of pogroms as in Poland. The government did have a real cause for concern: the beatings of Jews repeatedly ended in serious injury, and several Jewish students were even deafened or blinded during these acts. Finally, on September 26, 1920 Parliament voted for introducing the *Numerus Clausus* Act (Act XXV of 1920), pursuant to which the number of Jewish students to be admitted to Hungarian universities and colleges was to be limited to 6 percent. The text of the Act was not explicitly against the Jews. The anti-Semitic intentions of the law were implemented by the executive decree of the Act. The executive decree was drafted by the same Prime Minister Count Pál Teleki, who was to fall from government a couple of months later but latter returned as the head of the Hungarian government at the beginning of 1939, and who contributed to the drafting of several Jewish Laws over two decades. Although the *Numerus Clausus* Act was not enforced with full rigor and in 1928 Teleki's successor István Bethlen even had it seriously alleviated in response to international protests, the number and proportion of Hungarian Jewish students still fell dramatically in a short time. This and the following events forced many scientists who later became world famous (János Neumann one of the inventors of the computer, Leó Szilárd and

Teller Ede, fathers of the A- and H-bombs, the Nobel Prize winners Jenő Wigner and Dénes Gábor) to leave Hungary to study in Vienna or at German universities instead.⁷⁰ By passing the *Numerus Clausus* Act in 1920 Hungary formally waved good-bye to the liberalism of the previous decades and practically committed an “intellectual harakiri” (György Szabad) on itself.

But not even the enshrining of the *numerus clausus* principle in a legislative act could satisfy the anti-Semites, either at the time or later on. What is more, in the summer of 1920 increasingly radical and comprehensive concepts were being submitted to Parliament, which the government was trying to hush-up. But certain parliamentary representatives would not be silenced. For example, on August 7—that is, still before the debate of the *Numerus Clausus* Bill started in Parliament—László Budaváry (already mentioned above) submitted to Parliament a proposal of 10 points containing among other things the following demands:

1.) All land in Jewish ownership should be redeemed for the same price at which it was originally bought, but not more than 10 million Hungarian crowns (the quickly inflating currency of those years). The scope of expropriation should include not only land, but also any buildings, machinery and equipment attached to it. All rental contracts with Jews should be immediately declared ineffective.

2.) Every Jew should be allowed to keep one house only, and all other buildings should be redeemed at the price paid for them when they were built. Large-size flats should be confiscated.

4.) The *numerus clausus* regulation should be introduced in every school, office, public institution, factory, bank, production plant and other enterprise, in other words the participation of Jews should be limited to 6 percent in every occupation. Cinemas should be nationalized.

5.) Only Christians should be employed on state-financed construction and transportation projects. 60 percent of shares in Jewish factories should be transferred to workers and other Christians, and government support should be provided for this purpose. Jewish artisans and traders must not be allowed to have access to raw materials.

7.) All government trade licenses (for tobacco, stamps, matches, liquor, etc.) should be reviewed and the licenses of Jews should be ceded to Christians.

Before tabling his proposal, Budaváry delivered a half an hour invective against the liberal, Freemason, Bolshevik “Jewry” who murdered

Christians, including practically all the arguments which were to develop into a kind of anti-Semitic stereotype: Jews are not bearing their share of the blood losses of the war, they betray their Hungarian consciousness if they get to the territory of neighboring countries, they are to blame for many hundreds of thousands of Hungarians having had to emigrate to the United States, they are to responsible for there being no land available for distribution, and so on. Budaváry's compensation proposal is noteworthy among other things because it offers only very limited compensation for the property affected by the Aryanization measures being suggested. While the exchange rate of the Hungarian crown (the Hungarian currency during this period) was practically equal to that of the Swiss franc up until 1914, by 1920 drastic inflation caused the exchange rate of 1 Hungarian crown to drop to 0.0129 Swiss franc. In view of this, the proposal amounted to stealing the wealth and destroying the livelihood of Jews in Hungary on the one hand, while at the same time restoring the country's public finance balance at the cost of expropriating Jewish money. Very soon Budaváry was flooded with hundreds of greetings and commending telegrams, and he was elected honorary member of "every self-respecting Christian and nationalist association."⁷¹

In hindsight it is difficult to understand how the authors of most of these anti-Semitic bills failed to have their bills turned into legislative acts (with the exception of the *Numerus Clausus* Bill), when the race-protectionists had the majority in Parliament, and when dozens of parliamentary representatives had joined secret anti-Semitic organizations by this time.⁷² The explanation for defying the public mood lies in the existence of a special political mechanism during this period: in Hungary the Prime Minister was not delegated by political parties, but rather the Prime Minister made his own political party, and so he could ensure the personal dependency of the MPs supporting him. Therefore, the success or failure of important political proposals depended mostly on the intentions of the head of government, and István Bethlen, who became Hungary's Prime Minister in 1921, was against regulating the Jewish question by legislative means, both for reasons of domestic and foreign policy. In contrast, his predecessor Teleki sometimes adopted a different strategy.

At the time, the majority in Parliament voted for putting Budaváry's proposal on the agenda, and the government promised to submit its own Jewish Bill later on. But after he became Prime Minister, Bethlen single-handedly scuttled other similar proposals. At the same time, the man in the street demanded increasingly radical measures, to a great extent due

to the existence and influence of secret and semi-secret anti-Semitic organizations.

A specific feature of the Horthy regime was the existence of extremist organizations, some of which operated fully or partially under cover, while others had wide publicity. Most of them were founded in 1918–1919 by counter-revolutionaries. Former soldiers joined the Magyar Országos Véderő Egylet (MOVE—the Hungarian National Defense Force Alliance) led by Gyula Gömbös, while the Ébredő Magyarok Egyesülete (ÉME—Society of the Awakening Hungarians) and Kettőskereszt Vérszövetség (KKV—the Double Cross Blood Allegiance, founded in July 1919 in Szeged), were two organizations that played an important role in shaping the opinion of the Hungarian political elite. There was a major overlap between the membership of the above organizations, those who joined were often members of several different groups at the same time. All organizations of this kind had a right-wing or extreme right-wing program, and regarded the struggle for having the Trianon Peace Treaty overturned and providing national coordination for a Christian-Hungarian society as their number one objective. Anti-Semitism was an integral part and one of the main pillars of the ideal of “Hungarian race-protectionism” advocated by them. László Endre, Hungarian State Secretary of the Ministry of the Interior responsible for the deportations in 1944 alongside with Adolf Eichmann, summarized the objectives of MOVE, ÉME, and KKV in 1945 as follows: “To protect the Hungarian race against everyone else, but primarily against the harm caused by Jews.”⁷³

The extent to which secret and semi-secret paramilitary organizations influenced matters of local and nationwide importance during the first years of the Horthy era is clearly illustrated by Endre’s written testimonies made in 1945. The KKV, which Endre joined in the fall of 1920, was an organization whose main objective was to “fight Bolshevism in an organized manner.” KKV’s meetings were attended by “landowners, public administration officials, army and gendarmerie officers... Our specific tasks included appointing trustworthy people in every town to report to our leaders individuals suspected of being Communists, so that those leaders can then report them to the competent public administration authorities or police station.”⁷⁴ So it was sufficient for a private individual to say about someone behind his back at an evening session of the KKV that he was suspect, and the accused could be ordered to make his appearance at the district magistrate’s office the next day, or even worse at the police station, and he could think himself lucky if he got away with

an unpleasant interrogation or a few punches in the face, but in the worst case scenario he could lose his job or face internment.

In 1921 Endre was the Constable of the town of Gödöllő near Budapest when he joined the ÉME, an organization suffering from lack of unity and permanently sluggish operations caused by personal rivalry. However, the informal relationship between its members had an influence on many public matters. In 1925, for instance, when electric lighting was about to be installed in Nagytarcsa, ÉME addressed the following petition to Endre, by now Chief Constable of the Gödöllő district, written under ÉME's nationwide chairman's letterhead: "... it has come to my attention that applicants for the contract [to install the new lighting system in a town] include Stern, a Jewish company. I felt the need to recommend to your attention Engineer Gyula Töttössy ... to make sure that the same thing does not happen as recently did in Kistarcsa, that the aforementioned Jew Stern was awarded the contract for the electrical lighting installation work of that town. I would like to ask you emphatically to kindly use your benevolent influence with the Notary of Nagytarcsa, on whom the awarding of the contract for the work depends, to give the contract not to this Jewish company but to the aforementioned engineer." Endre wrote on the back of the letter in red ink: "Urgent!"⁷⁵

The KKV was dissolved in 1923, only to be replaced by the summit organization of extreme right movements, the Etelközi Szövetség (EKSZ or EX—the Etelköz Alliance), founded originally in 1919. The political influence of the EX was guaranteed by the composition of its membership. To illustrate the synergy between the political elite and EX—and other similar organizations—it is sufficient to mention that joining EX (what, for example, Endre did in 1923) meant the opportunity to make contact with many leading politicians of the next 20 years, including future prime ministers, ministers and parliamentary representatives.⁷⁶

The above organizations took a lion's share in putting forward anti-Semitic proposals and proposals that were clearly targeting Jewish wealth. At its November 30, 1919 meeting, the speaker of the ÉME demanded in front of a crowd of several thousand people to have mines and factories nationalized, and to have latifundia expropriated at the same time. One year later, ÉME's chairman urged the Aryanization of the economy ("Hungarian society ought to realize that it must send its sons into trade"), and called for using the legislative apparatus instead of clubs and pogroms.

A few days after the vote on the *numerus clausus* ÉME announced

its cultural and economic program, set out in 25 points, at a mass meeting of ten thousand people. The objective of this program was the de-Jewification of Hungary. These 25 points demanded a ban on intermarriages between Jews and Christians, the confiscation of land and assets in Jewish ownership, the introduction of the *numerus clausus* principle in the economy, and assistance to Jews to emigrate. Despite appearances to the contrary, ÉME did not simply advocate anti-Semitism: its members were not only anti-Semitic and anti-large capital, but were also against large landed estates and feudal structures.

The other secret organization alongside ÉME was EX, whose supporter base consisted mostly of the middle classes. EX too regularly incited anti-Semitic feeling by way of circular letters. For example, EX's general decree no. 7 declared that it "refused to make any concessions in its endeavors to suppress the alien race," and on May 9, 1922 called upon its members to draw up a register of Jewish capital participation, by gathering records about the companies that they were familiar with.⁷⁷

In addition to the *Numerus Clausus* Act there were a number of other statutes regulating the redistribution of wealth. There was a virtually unanimous consensus that property holdings built up during the war ought to be taxed progressively. Hungarian members of parliament proposed to meet the costs of the government's social policy by taxing the income of war suppliers and speculators. But every proposal of this kind had a particular tinge to it, because a significant portion of property acquired during the war was concentrated in the hands of Jewish entrepreneurs. The anti-Semitic intention became obvious when speeches in parliament did as a rule specifically name speculators with Jewish names.

Act XXX of 1920 too declared that property acquired during the war need to be taxed, putting the focus for confiscation primarily on landed estates acquired after 1864, because in Hungary Jews were not allowed to become land-owners under any circumstances until 1860. Acts II and XV of 1921 were of a similar nature, inasmuch as they ordered the redemption of property holdings made during the war in excess of 1 million Hungarian crowns, which meant the expropriation of nearly 40 percent of war profits. This property tax effectively protected feudal estates to a great extent, but excessively taxed Jewish assets, and included both moveable or immovable property.

Similarly, the land reform of 1920 (Act XXXVI of 1920) was disproportionately disadvantageous to Jews. Pursuant to this Act, 1.1 million

holds of land were distributed in total, that is, 8.5 percent of the country's agricultural area. While in neighboring Czechoslovakia and Rumania twice and three times as much land was distributed respectively, mostly from the landed estates of Hungarian aristocrats who had fled to other countries, in Hungary political considerations prevented the land reform from radically touching the vast estates of the aristocracy and the Catholic Church. It was only about the expropriation of war profits that a consensus existed. A large part of expropriated land had been bought from war profits by owners who were mostly Jewish entrepreneurs. Therefore, indirectly, the land reform meant the expropriation of Jewish landed estates, at least to some extent. Pursuant to Act XXXVI of 1920, 312,000 holds of land in Jewish ownership went to Christians, and nearly 30 percent of the area redistributed as part of the land reform had been "Jewish land."⁷⁸

It should be noted that bureaucratic anti-Semitism already started to be used at this time as an instrument of social policy, in conjunction with statutes and bills, and became widespread by the 1930–1940s. Municipal authorities had the power to regulate the licensing of businesses and other gainful activities. Already at this time László Endre, the Constable of the town of Gödöllő (from 1923 Chief Constable, and from 1938 the Sub-prefect of Pest county) was the Hungarian champion of bureaucratic anti-Semitism, or the deliberate twisting of the meaning of statutory regulations and the use of legal loopholes to discriminate against Jews by administrative means. In his role as district magistrate between 1921–1922 Endre at the age of 26 had become a practicing specialist in anti-Jewish measures. For instance, he held dozens of raid-like inspections in the shops of Jewish traders in the Gödöllő district, which always detected some kind of irregularity, whether substantiated or deliberately fabricated (dirty windows, flies in the shop, high prices), that were punished by a high penalty levied on the spot, by the closing down of the shop, or by putting the shopkeeper into police custody. Another method was to reject most applications from Jews applying for an operating license. It is typical of Endre's official behavior towards Jews that on one occasion he was quick to take the most stringent measures against some Jews simply on a letter of complaint received from an unknown ill-wisher. Of course Endre was far from being the only anti-Semitic public official in Hungary.⁷⁹ In the anti-Semitic climate of the early 1920s, ÉME and other secret organizations had every opportunity to incite Endre and others in public administration to discriminate against Jews and to support

extremist organizations in their official capacity. The application of bureaucratic anti-Semitism was not limited to the economy, as illustrated by an article in a Cegléd newspaper, *Keresztény Újság*, on August 7, 1921, reporting that Jews had been banned from public baths. The Cegléd local municipality decreed—without any statutory authorization and strictly within its own scope of authority—that Jews could attend public baths only on a specific day of the week.

Between the two world wars, and already several years before the debate of the first Jewish Law, chambers of commerce and other interested organizations urged that Jews be restricted access to positions sought by their Christian members. From the very start, university student fraternities would not allow Jews to become members: the Hungária Society, for instance, required applicants to prove their Christian origins back to the grandparents. In their official communications, the leaders of the Turul Szövetség (Turul Association) adopted a calmer but at the same time more thoroughgoing position than their membership, inasmuch as they “demanded a level-headed and objective approach to the Jewish question, namely that the same *numerus clausus* as that in effect at university colleges should be introduced for banks, factories and even public transport tram drivers.”⁸⁰

Other chambers of commerce had trade registers drawn up, listing the members of various professions by name, in which they marked their Jews and Christians separately. The Magyar Mérnökök és Építészek Nemzeti Szövetsége (MMÉNSZ—the National Alliance of Hungarian Engineers and Architects) drew up a register of Christian engineers in 1921 in order to ensure a “healthy” proportion of Jews and Christians in the awarding of contracts.⁸¹ The Magyar Orvosok Nemzeti Egyesülete (MONE—the National Alliance of Hungarian Physicians), which was established in 1919 and was one of the first professedly anti-Semitic professional organizations in Europe, drew up a register of non-Jewish doctors already in 1919. MONE’s program included the following demands: leading positions in the medical profession and scientific institutions should be awarded exclusively to individuals of the “Hungarian race”; the “purification” of the medical profession; financial support to Christian Hungarian physicians; “support for pure Hungarian literature, fine arts, music and folklore, and relentless suppression of intellectual products contrary to the truly national way of thinking ... MONE is determined to use every effort ... to eradicate, once and for all, the profiteering spirit which seeks to reduce the work of doctors to a mere business occupation,

in the context of the increasing dominance of Jews in the medical profession.” Engineers even made statistics about how much cubic meters of building space were designed by their Jewish colleagues, and how many bricks were used to implement their architectural plans. However, in one case engineers volunteered extra work beyond their professional duties. In December 1936 MMÉNSZ as a Christmas surprise posted several thousand Christian citizens a “Register of Christian Traders and Artisans,” which stated in the Introduction that on this festive Christmas occasion celebrating brotherly love the authors would thus like to assist Christian customers in their efforts to buy only from Christian companies.⁸² As Mária Kovács M. acutely observed in writing about the attitude of the Hungarian legal and medical profession: “By 1937 virtually every possible statistic was in place for the potential introduction of an anti-Semitic system of quotas: all that was left was to elaborate Jewish Laws and to have them ratified in Parliament.”⁸³

It was not only at universities and colleges that Hungarian extremists proved that they were not afraid of using physical force if needed. ÉME clearly took the leading role in these actions of terror, and in 1920–1923 carried out several attacks against Jews and against Christians whom it labeled “Jewish stooges”—whether these were politicians or ordinary people sitting on the terrace of coffee houses—causing several cases of injury and death both in and outside Budapest. Terrorist acts committed by members of the extreme right only reinforced Prime Minister Bethlen’s consolidation endeavors. Bethlen, who became Hungary’s Prime Minister in 1921, gradually restrained extreme right wing squads and other political groups. Proceedings were started against several squad members and ÉME members, and the operations of the latter were even temporarily suspended. He prohibited by a government decree public sector workers from joining political associations “influencing their unbiased orientation,” a measure which dealt a heavy blow particularly to MOVE’s and ÉME’s membership. Later there were occasions when ÉME meetings were banned. In the absence of government support, many race-protectionist newspapers waned away. Those who went too far in using anti-Semitic rhetorics could face prosecution for “incitement against a religious denomination.” Rulings in these prosecution cases tended to be symbolic, and as a rule ended with the dropping of charges against the accused by the higher court. Yet, the government, even if slowly, started to take action against bureaucratic anti-Semitism. This even happened in Endre’s case. In a letter addressed to Endre’s superior,

the Sub-prefect of Pest county, the Budapest Chamber of Trade and Commerce complained forcefully that the prevalent majority of abuses of authority reported to the Chamber for its arbitration came specifically from the Gödöllő district. The trivial irregularities found (dirty shop-windows, unwashed dishes, flies, etc.) did not substantiate the high fines levied, nor the placing of shopkeepers into police custody for 5, 15, or 30 days and the withdrawal of operating licenses. A further ground for complaint was that these rulings repeatedly used phrases indicative of racial discrimination and negative discrimination against citizens (e.g. references to someone being a member of the "alien race" or "Jewish"). The Chamber asked the Sub-prefect to prevent future abuses against artisans and traders.⁸⁴ Yet, Endre continued his campaign despite the warnings of the Sub-prefect, so that a number of new appeals and complaints against his actions finally landed on the desk of the Minister of the Interior. The Ministry asked the Prefect of Pest county to restrain Endre and to end further abuses. The press, too, found out about this embarrassing affair, and newspapers started to accuse Endre, the district head magistrate, of anti-Jewish brutalities. In March–April 1925 Endre was asked to give a written explanation for his actions to the State Secretary of the Ministry of the Interior.⁸⁵ For reasons of domestic and foreign policy, the Hungarian government of consolidation, which was getting ever stronger in the mid-1920s, showed less and less tolerance in relation to abuses of statutory regulations. Pressured from higher up, Endre had to give up his overt anti-Semitic measures. The waning influence of the extreme right prevented it from continuing to squeeze out Jews from the economic sphere, despite the prevailing political trend. Even Endre was reluctant to engage in a quixotic struggle, and seemingly made a tactical retreat. The government's measures clearly signaled that it would not tolerate anti-Semitic propaganda beyond a certain point.

But not even the success of Bethlen's moderate policies can make us forget that in Europe Hungary was a pioneer in race-protectionism, so it is not surprising to learn that in 1927 there were mass protests with university students committing brutalities in response to an announcement about the amendment of the *Numerus Clausus* Act (which effectively ended anti-Semitic discrimination). Those protesting included the university fraternities, and even the associations of physicians, engineers and attorneys expressed outrage. Bethlen demonstrated noteworthy tactical skill when he managed to push through this amendment in the face of extremists in the governing party.

It may have seemed that Jews and their property were safe once again, and Hungary was returning to the liberal ideal of equal rights. But the world economic crisis, which broke out at the end of the same decade, swept away the achievements of the period of consolidation. Bethlen's rule succumbed in 1931, and following a short-lived cabinet unsuccessfully trying to halt the advancing crisis, in October 1932 Gyula Gömbös came to power. Gömbös was a prophet of Hungarian race-protectionism, a founder of MOVE, the author of a book on the Jewish question, and a former anti-Semitic army officer who called himself a National Socialist as early as in 1921.

Race-protectionists and anti-Semites cheered loudly, Jews were frightened, and the whole country took it for granted that the new Prime Minister would start his term of office by introducing new anti-Jewish laws. But the "controls" built into the government mechanism by Regent Horthy (Minister of the Interior Ferenc Keresztes-Fischer, and two future Prime Ministers to be, Minister of Agriculture Miklós Kállay and Minister of Finance Béla Imrédy) commenced to work. What is more, Gömbös even made a written agreement with Samu Stern, who was the head of the Jewish community of Pest (the most influential in Hungary) and in 1944 the President of the Jewish Council, whereby Gömbös offered to give up his platform of anti-Semitism and Stern in return assured him about his support on behalf of Hungarian Jews. So it was for this reason that—to the general astonishment of those present—Gömbös began his inauguration speech on October 11, 1932 in Parliament with the following words: "And I have to say this to Jews frankly and sincerely: I have revised my opinion. I am determined to regard that part of Jewry which accepts having a common fate with the nation as my brothers, just like my Hungarian brothers."⁸⁶ Of course Gömbös did not mean to make a compromise with the whole of Jewry, but he did realize that without the support of a narrow circle of Jewish large industrialists and upper bourgeois and their families, whose control extended over nearly half of the Hungarian industry and a significant part of trading operations and financial institutions, he would have had no chance to successfully fight the economic crisis. Gömbös's inner feelings and anti-Semitism did not change, but the breakthrough hoped for by extremists did not happen. Instead of putting together a new Jewish law, Gömbös struggled to avert the social crisis threatening Hungary.

In the fall of 1932 Gömbös put forward the ideal of the "autotelic nation state" when he announced his "National Action Plan" of 95 points.

At first sight, the action plan promised positive changes to virtually everyone in society. Apart from containing a number of clichés that were palatable to all political trends, the Action Plan did also have a substantive part which was more or less carried out later on, and therefore deserves our attention. Gömbös's anti-Semitism was never an object in itself to achieve: for him disadvantaging Jews was always synonymous with giving advantages to Hungarians. His race-protectionism was not directed specifically against Jews as such: by racism Gömbös meant giving social protection to that part of the country's population who were Christian by their religion and Hungarian in terms of their ethnic membership, and as a good politician he realized that he did not need to use anti-Semitic rhetorics to achieve this.⁸⁷ Consequently, Gömbös's social and economic policy was characterized by the use of positive discrimination for Gentiles rather than negative discrimination against Jews. Given the particular features of Hungarian social development discussed above, measures against large capital and landed estates were disproportionately disadvantageous to Jews. All governments, however, were forced to take many of these measures without being directly motivated by anti-Semitism, because recovery from the economic crisis was feasible only at the cost of radical centralization and the re-negotiation of export–import agreements, in other words by increasing the role of the state in the redistribution of national wealth. Christians were the prime winners from support to agricultural producers and the removal of the economic squeeze in the agricultural sector (Point 59), and while Jewish traders were the prime losers from the introduction of restrictions on secondary trade (Point 62), the majority of consumers were Christians. Government lending (Points 74, 75 and 78) amounted to excluding large banks from the process, and consequently a decline in their influence, while Points 41 and 59 demanding “fair pricing on industrial goods” promised positive changes for the consumer, but negative changes for factory owners. Gömbös's program laid the same amount of emphasis on restricting large-scale landholdings and capital, and it was not for want of trying on his part that no major success was forthcoming in this area. A good example of economic measures based on “positive discrimination” was the paying of several billions of Hungarian pengős in state support to cooperatives, a form of agricultural enterprise created in the late-nineteenth century, as these were seen as organizations that protected the interests of the producer against wholesale buyers. Gömbös's objective was to restrain secondary and merchant chain trading where most of the profit was creamed

off, as most producers suffering from a scarcity of resources were very much vulnerable to traders. And while in principle Jews were not excluded from the membership of the “Hangya” (Ant) Association, which engaged in the trade of industrial goods, and the “Futura” Association, which engaged in the coordination of wholesale purchase of grain, these competed on the market mostly against Jewish resale merchants.⁸⁸

There were signs that Gömbös never abandoned for good the idea of passing another Jewish law, for he gave Alajos Kovács, his advisor on statistics, the secret assignment of conducting a detailed analysis of the financial standing of Hungarian Jews. Gömbös received the result of Kovács’s survey in 1935, shortly before he died, “in all likelihood with the intention of using it to underpin a forthcoming Jewish law.”⁸⁹ During four years in power, most of Gömbös’s efforts went towards setting up a mass movement under his own leadership which he hoped to use as a base for carrying out a host of reforms. But Gömbös’s attempts failed due to the resistance of conservative politicians centered around former head of government Bethlen, who also enjoyed Horthy’s support. In 1936 when the leading figure of Hungarian race-protectionism died from kidney disease his political career was virtually at an end. Gömbös’s rule reinforced the positions of anti-Semitism deeper down, rather than just on the surface. There was a change of generation in politics during his prime ministership, which lasted up until the mid-1930s. The essence of this change was the progressive squeezing out of aristocrats from the circle of those in a position to actively influence state affairs, who had grown up in the liberal milieu of the Austro-Hungarian Monarchy, and the advancement of politicians belonging to the lower nobility or petty bourgeoisie who had been nourished on the European right-wing wave of anti-Semitism. From this “new generation” sprang many of the anti-Semites who were taking up jobs in the state administration apparatus, parliament, and the army high command.

Gömbös’s death did not fundamentally change the situation: in the first half of the 1930s Hungary was on the brink of social catastrophe. The right-wing political elite of the 1930s was challenged by a virtually insoluble set of problems, when at the turn of the decade the unemployment rate of intellectual professionals again taking on alarming proportions, Jews were overrepresented in trade as well as in the liberal professions and private sector occupations, and most of all the livelihood of agricultural laborers facing a permanent state of crisis crumbled. In other words, rising social tensions had to be managed amidst falling budgetary

income. The peasantry could not be placated by a land reform, because the distribution of land would have immediately caused a conflict between the existing political regime and the aristocracy, one of the main pillars of its own elite, and would have also threatened the loss of support of the Catholic Church, an important source of the regime's legitimacy. The high unemployment rate of intellectuals threatened the conservative regime with having to gradually wave good-bye to the support of one of its important bases, the Christian gentry, while the government's open support of escalating anti-Semitism potentially threatened the viability of the country's hard-won industrial and trade infrastructure.

Let us illustrate with some typical examples the extent to which poverty hit all social groups during this period. In 1929 workers' income fell by 31.2 percent as compared to the period before the First World War. So-called welfare indices calculated by Mátyás Matolcsy indicated the following: by 1933/1934 the living standards of the agricultural population dropped to 69 percent of the previous level in 1928/1929 (which was anyway very low), the working classes suffered a more than 10 percent reduction in their real income, and the salaries of government officials were also repeatedly cut. In 1935 unemployment hit 22 percent of people employed on a servant's license, and 17 percent of workers. During the period between the two world wars, an average 55–75 percent of the entire population lived near or below the subsistence minimum. The country hit rock bottom in the mid-1930s.⁹⁰ Under these circumstances it is no wonder that concern for social problems was one of the main levers behind the government's social policies. The most important laws with a social aspect, that is, those for the introduction of statutory health and accident insurance, statutory orphan, old age and disability pensions, the minimum wage and paid holiday leave, were very frugal due to the scarcity of available resources.⁹¹

"Völkisch" writers, researchers of village sociology, academics, and right- and sometimes left-wing politicians talked and wrote almost without exception about the need to protect the Hungarian "race," using the racist terminology of the period. But such progressive race-protectionism, built on concepts like the exclusivity of the role of the state, Christian-nationalist ideology, the desire to improve the circumstances of the working classes and the agricultural population by way of social-political reforms, and anti-capitalist emotions, was inseparable from discriminative race-protectionism, which was built on racist and anti-Semitic motives, and targeted to a lesser extent Hungary's German minority but

mostly the Hungarian Jews. The institution of large rural properties, whether owned by aristocrats or the Church, seemed untouchable, no budgetary resources could be found to finance the contemplated social-political measures as the country's budgetary income kept falling due to the general economic crisis underway, and so the only way to finance "reforms" was by way of draining the wealth of the Jews (and the ethnic Germans), they being the part of the population who possessed really significant economic influence. By the second half of the 1930s support for this idea was widespread—despite the existence of undoubtedly great differences between the various concepts proposed—and came from among others, the economist Matolcsy, Teleki, the Arrow Cross leader Szálasi or from the future Prime Minister Béla Imrédy. Most of them had been urging firm measures against Jews for years or even decades, but even others like Bethlen thought that some "concessions" were inevitable.

7. RACE-PROTECTIONISM, THE WEALTH OF JEWS, ARYANIZATION (1936–1944)

Every Hungarian politician was familiar with the work of the anti-Semitic statistician Alajos Kovács. Starting from 1922 Kovács regularly published his findings regarding the economic role and situation of the Hungarian Jews, including an analysis of their economic position as well as of their rate of representation within individual occupations. Kovács's writings combined statistical figures with openly anti-Semitic analyses: "The nation is sick, because an alien body has pierced its organization, and ... is sucking away more and more of its vitality. Either radical surgery is needed here, or a lengthy and regular course of medication. It is the job of statesmen to prescribe the medicine, and the role of the statistician ends here..."⁹² Kovács attracted more and more followers, but the group centered around László Endre took the lead even among them.

When in the mid-1920s Endre seemingly gave up practicing bureaucratic anti-Semitism under pressure from the government, he started theoretical studies instead, the findings of which he soon translated into practice. In 1928 Endre went to the United States to attend the unveiling of a statue of Lajos Kossuth (the leader of the 1848–1849 Hungarian revolution) in New York. Besides the official program, he attended to other matters as well. The race-protectionist demands were far from being limited to simple anti-Semitic discriminative race-protectionism, but includ-

ed many progressive elements as well.⁹³ In this sense it is not an exaggeration to say that Endre's achievements were lasting. As a first step, Endre had meetings in New York with the management of the Rockefeller Foundation. As a result of a series of talks, Endre soon made a successful application to the Foundation. After being awarded the requested funding, Endre threw himself into his work with the usual vehemence, and transformed the Gödöllő district under his leadership into the first exemplary district in Hungary from the point of view of healthcare. Endre was trying to fight the spread of tuberculosis by conducting an information campaign and by setting up so-called tuberculosis clinics. Moreover, he made significant improvements to the public education infrastructure, not neglecting the children of poor peasant families, for whom he had a special boarding house built in Gödöllő. Endre is also to be credited for many new schools and kindergartens. In healthcare his achievements included the modernization and expansion of the system of public healthcare services: by 1937 virtually every location in the Gödöllő district possessed at least one healthcare center, TB clinic, natal clinic, and daycare facility. An efficient mother and child protection program was launched to improve the local birth rate (including, for example, regular medical check-ups, maternity courses, a coordinated milk supply, etc.). Funding received from the Rockefeller Foundation was used to radically improve the sanitation of villages: new wells were drilled to provide clean water, a free of charge so-called Green Cross sugar and milk campaign was launched as part of program for the newborns, the anti-epidemic effort was intensified, and daycare centers were set up. The results spoke for themselves and proved that Endre was right: by 1937 the death rate of Gödöllő was reduced to 12 (for a thousand inhabitants), whereas previously it used to be higher than the national average (14.2), in addition to which deaths caused by tuberculosis fell by one-third, and infant mortality was reduced by one-fourth. It was one of the greatest achievements of progressive race-protectionism and productive social policy that, thanks to Endre's actions, Gödöllő soon increased its natural birth rate to nearly twice the national average (to 10.3 percent versus 5.8).⁹⁴

While in New York, Endre also found time for other things: the private plane of Henry Ford, the billionaire and internationally known anti-Semite, and head of the giant U.S. Ford company, awaited to take Endre to Ford's residence in Detroit. Endre later recalled this meeting as follows: "In Detroit I had the opportunity to get to know Mr. Ford in person, who is the greatest expert on the international Jewish threat..."⁹⁵ Endre

got on very well with Ford, the author of a widely-circulated classic of anti-Semitic writing, "The International Jew." On Ford's advice Endre went to London to continue studying international anti-Semitic writings, and ended his overseas tour by stopping in Paris and Germany on his way home. Also on Ford's advice, and with the assistance of a Hungarian journalist living locally, in München Endre visited a German journalist and politician, a certain Adolf Hitler. Unfortunately, we have no information about what the two of them may have talked about, but it is unlikely that they would have disagreed much regarding Jews.

In Hungary, Endre developed closer ties with Lajos Méhely, professor at the Budapest University in the 1920s. After spending several decades studying bees, crayfish and reptiles, Méhely—who was the respected member of the Hungarian Academy of Sciences—abandoned his career as a zoologist after the First World War to become a prophet of racial anti-Semitism in Hungary. Méhely's racial views, wrapped up in a scientific coating and rivaling the assertions of Nazi-type racial anti-Semitism in Stürmer's style from very early on, had a deep impact on Endre. The following excerpts from Méhely's published writings, containing a passionate attack on assimilation and "criminal miscegenation" (in other words, intermarriage) are quoted here because they are typical of the author's views: "The Jewish race must be regarded as an artificially bred, firmly established mongrel-breed... If the negroid and oriental blood components found in Jews were to get into the bloodstream of European nations, this would not only be harmful but could even have tragic consequences."⁹⁶ Soon after this, Endre got to know Zoltán Bosnyák, a high-school teacher of geography and natural science from Budapest, through an anti-Semitic society called the Alliance Against Harmful Insects.⁹⁷

This society, consisting of a small circle of Endre's friends, was soon to become a bastion and a kind of "scientific center" of Hungarian anti-Semitism, and kept hatred of Jews constantly alive in the Hungarian press and the political scene for the next 10–15 years. This society had several basic works of international anti-Semitic authors translated into Hungarian and published, besides publishing dozens of books and studies by Hungarian authors (including more than a dozen important writings by Bosnyák, several of Endre's writings and translations, and dozens of Méhely's manuscripts), and writing hundreds of essays and articles on Jewish matters for a variety of daily and weekly newspapers.⁹⁸ This circle of friends, as Endre called it, was in fact one of the main power centers of the Hungarian anti-Semitic movements, and had increasing influence on

Hungarian domestic politics from the mid-1930s. Méhely was one of the main fountainheads of ideas which could be characterized as biological anti-Semitism, while Bosnyák was responsible for abridging in a digestible form both international sources of reference and the highly specialized studies full of facts and figures of the distinguished statistician Alajos Kovács and of the recognized economist and parliamentary representative Mátyás Matolcsy. A significant contribution to their efforts was made by László Levatich, head of the "Committee for Alliance Against Harmful Insects in Hungary," both as a political writer and organizer; Levatich also had excellent connections in Germany. There were dozens of similar anti-Semitic clubs across Hungary, but it would be a mistake to define the group centered around Endre as a collection of daydreaming fantasizers. By publishing books, studies, and articles by the hundred and distributing anti-Semitic leaflets over a number of years, this group disseminated their theories to hundreds of thousands of people. Until 1944 Endre was the first to put into practice the anti-Jewish initiatives dreamed up along the Endre-Bosnyák-Méhely-Levatich lines and the growing group of extremists centered around them, first of all in the Gödöllő district, and from 1938 in his capacity as Sub-prefect throughout Pest county, that is, over one-seventh of the country's territory. The sphere of influence of this group was further increased as Endre's anti-Jewish measures (such as banning Jews from public baths, fairs and markets, taking away the butter ration from Jews, putting a special sign on non-Jewish shops, etc.) were introduced in dozens of other counties and cities of Hungary by overzealous or simply anti-Semitic bureaucrats.⁹⁹ All this acquires special relevance in the light of the Minister of the Interior's action in declaring several of Endre's measures illegal and ordering them to be withdrawn. In other words, until 1944 bureaucratic anti-Semitism only occasionally could turn into illegal anti-Semitism.

Undoubtedly, Bosnyák's works had the greatest impact. His first major work, "Fővárosunk elzsidósodása" (The Jewification of Our Capital) was published in 1935; in it he called Budapest "Judapest" and a "New Jerusalem." This book is dedicated to describing the economic, labor market, and cultural dominance of the Budapest Jews, based on German sources of reference or Alajos Kovács's statistics, and calls for the "conscientious and rigorous enforcement" of the *numerus clausus* principle "in all areas of intellectual life." In addition, it urges Christians to go on a general boycott in order to "re-Magyarizing" of Budapest, and calls upon Christians not to shop or to work for Jews, not to buy Jewish news-

papers, and not to watch Jewish films.¹⁰⁰ Encouraged by the success of his writings, Bosnyák continued his efforts. His next major work appeared in 1937, and as it is clear from the title (“Magyarország elzsidósodása”—The Jewification of Hungary), this time he took on an even more formidable task. Relying on Kovács’s, Thirring’s, Levatich’s and Matolcsy’s works, Bosnyák endeavored to give a detailed analysis of the position of Hungarian Jews in agriculture, banking, industry and elsewhere, and to estimate the size of the wealth and revenues of Jews as compared to the country’s national wealth and annual national income. This book named several hundred Jewish executives working for Jewish companies and published details about their personal finances, while not neglecting Jews working in the cultural sphere, the judicial apparatus, healthcare, or the press. In the Epilogue of this book, Bosnyák called for the implementation of the program of the Race-protectionist Party, which was founded in the 1920s by Gömbös and adopted the demands of nineteenth century anti-Semites, namely the passing of new Jewish laws for the introduction of a full and general *numerus clausus*, more stringent rules on Jewish immigration, and a statutory survey of Hungarian Jews.¹⁰¹ Bosnyák took great care to ensure continuity: Méhely wrote the foreword to Bosnyák’s previous book, and dedicated this one *in memoriam* to Istóczy, the nineteenth century anti-Semitic party leader.

Naturally, Bosnyák was not alone in demanding anti-Jewish measures. On the contrary, more and more action plans were made public. After Gömbös’s death in 1936, Regent Horthy appointed Kálmán Darányi as Prime Minister, and the fermentation of anti-Semitism continued. Matolcsy, who became a parliamentary representative in 1935, called for economic transformation already in 1937, the essence of which he described as ending “blatant inequalities in the distribution of income by way of ensuring a fairer distribution of wealth.” Given the scarcity of available capital resources, Matolcsy wanted to finance the nearly 3.5 billion pengő cost of restructuring by increasing the tax burden on large estates and properties. In a study written in 1937, but published only early in 1938, Matolcsy did not make it a secret that this would affect the wealth of Jews as well. “We must surrender the principle of the sanctity and integrity of private property, by defining private property not in the sense as it is construed by Roman law, that is in the pagan sense, but as a concept in line with the notions of Christian civilization.”¹⁰²

Béla Imrédy, who was the minister of finance in the Gömbös government earlier on, and in 1935 became the president of the Hungarian

National Bank with the support of the Bank of England, drafted a memorandum for Prime Minister Darányi in March 1937 about the economic and social-political modernization of Hungary. Imrédy, who had the reputation of being an Anglophile conservative in international financial circles, was not a one-eyed anti-Semite: for him the Jewish question and Aryanization was primarily a social-political problem and an aspect of modernization calling for a solution. Imrédy's memorandum suggested putting up company profit tax by 25 percent and using the proceeds to finance a range of community service programs to reduce unemployment, and levying a high one-off property tax to finance Imrédy's reform plans and to prevent inflation.¹⁰³ Although Imrédy's memorandum used the euphemism "property tax" for the partial nationalization of private capital, it clearly disadvantaged Jews most of all, and in effect amounted to a kind of Aryanization proposal. Still, his concept did not openly exhibit the external features of anti-Semitic discrimination, and—although to a smaller extent—would have disadvantaged Christian capital as well.

Similar concepts conceived at government level were made public for the first time in 1937, when in a speech delivered in Szeged Prime Minister Darányi talked about the economic destructivity of "Galician" Jews, and after a period of calm lasting for nearly a decade the Jewish question resurfaced once more during the parliamentary debate of the 1937–1938 budget. Parliamentary representatives brought it up day after day, and altogether 15–20 proposals and comments were made about the economic position of Jews. The National-socialist Arrow Cross movement organized by the retired Staff Major Ferenc Szálasi was growing ever stronger in Hungary, and it had the most clear-cut political program for the nationalization of Jewish wealth.¹⁰⁴ Szálasi started systematic information gathering: in the summer of 1937 he sent a register with the names of the directors and legal advisors of county savings banks to every county level Arrow Cross party unit, asking them to find out who of these names were Jews and to name potential replacements (similar registers had been drawn up by the professional organizations of doctors and engineers several years before).¹⁰⁵

Prime Minister Darányi submitted the bill of the First Jewish Law, that is Act XV of 1938, to the Parliament on April 8, 1938, and it was promulgated on May 29; but by then Darányi had lost Horthy's confidence for failing to halt the advancement of the Arrow Cross. The Anglophile Béla Imrédy became Darányi's successor, after being appointed Minister

of Economy without portfolio in March. Imrédy and Alajos Kovács were the authors of this Act, and the preamble was also based on Kovács's statistical figures. The Act already defined Jews partly as a racial group, and set a 20 percent ceiling on the participation of Jews in economic and cultural liberal professions, in view of the "overrepresentation" of Hungarian Jews in the economic and cultural sphere. The executive decrees to this Act were often even harsher than the letter of the law itself. For instance, an executive decree issued on August 28, 1938 defined the maximum eligible number of Jews in the Chamber of Press not at 20 percent as defined by the Act, but at 6 percent. The government claimed that this Act solved the Jewish question without being too harsh, because it generally stipulated more generous quotas than the *numerus clausus* (effectively, it replaced Jews with Christians in approximately 15,000 jobs), but the parliamentary debate on this bill started off a potentially lethal process. It gave constant and wide publicity to speeches urging complete segregation, and motions were being made one after another to demand ghettos, Jewish stars, deportation and expropriation. The protests of a couple of dozen non-Jewish artists, intellectuals, and public figures were drowned in the uproar of anti-Semitic incitement. In the spring of 1938 positive discrimination for non-Jews started to be replaced by negative discrimination against Jews. The long-insisted changing of positions (literally "changing of guard") had begun.

By the time the Jewish Law was adopted by Parliament, Imrédy was the new Prime Minister. As it soon turned out, Imrédy's plans from 1937 were not to remain just words written on a piece of paper; furthermore, there were other ways than Jewish laws to gain access to the wealth of the Jews. On March 5, 1938, the government announced a 1 billion pengő (then the equivalent of 200 million U.S. dollars) army development program in Győr, which was nevertheless rather a more general industrial and economic development concept, financed by government contracts. Given the scarcity of capital in Hungary, the financing requirement of 1 billion pengős could have been raised only from expensive loans or devaluing the Hungarian currency. In Imrédy's opinion both scenarios would have been irresponsible, and instead he chose to tax all property holdings in excess of 50,000 pengős. The Győr program, which was adopted by Parliament in the form of Act XX of 1938, was the first measure taken in Hungary avowedly in the spirit of a planned economy, which contemporary politicians even called a "5-year plan" in accordance with the Soviet model. 40 percent of the cost of this program was financed

from government loans, while 60 percent was raised from taxing the property of nearly 27,000 of the country's highest tax payers, both natural and legal entities. The highest tax payers were mostly members of the Jewish financial aristocracy. And while a significant part of war industry and infrastructural contracts were awarded to companies in Jewish ownership, despite the positive discrimination to companies in Christian ownership, a disproportionately high ratio of the costs of this program was covered from taxing Jewish property.

Imrédy's Liquor Industry Act, which was a prelude to subsequent laws aimed at the expropriation of Jewish wealth, had far-reaching implications, for it ordered the nationalization of liquor factories automatically where their industrial output exceeded 10,000 hectoliters, and on a case-by-case basis below that level. The expropriation of the factories by the government practically amounted to the seizing of these assets. Only one-third of the artificially depressed compensation was paid in cash within three months, while the rest was paid in government bonds with a maturity date of 25 years and yielding 3.5 percent interest per annum. The victims were the Győr, Kisperkáta, and Óbuda liquor factories of the Jewish Fellner and Leipziger families. As the Act set the level of industrial output so high for automatic expropriations, while allowing case-by-case decisions below that, the scope of this regulation effectively did not cover agricultural liquor plants, most of which belonged to Christian owners. It is far from being a coincidence that a certain Albert Turvölgyi, who was responsible for working out the details of this regulation, in 1944 became government commissioner in charge of managing Jewish property in general. The Liquor Act generated huge revenues for the state: while in 1938 the liquor tax generated 13 million pengős only, by 1941 nationalized factories generated 130 million pengős in profit for the Treasury, while the level of compensation amounted to not more than about 13 million pengős.¹⁰⁶

Imrédy's term in office was distinguished not only by his milking of Jewish wealth, but also by the introduction of many welfare measures in line with his program. He continued the implementation of the social reforms started in 1937, which had been devised by him and launched by the Darányi government. These included introducing the 8-hour working day, the minimum wage, and paid holiday leave. The financing of the social-political measures started in 1938 was on a level surpassing all former endeavors of a similar kind. In 1938, for instance, central government spending on alleviating unemployment and other social-political

measures was 10 million pengő (the equivalent of 2 million U.S. dollars at the contemporary exchange rate).¹⁰⁷ Besides, Imrédy drafted a new land distribution bill and proposed the drafting of a pension and sickness insurance scheme for agricultural workers. These measures also required new funding. So, despite his former promise, Imrédy submitted a new Jewish bill to the Hungarian Parliament in December 1938. Act IV of 1939, or the Second Jewish Law was a logical sequence of the first one. Its wording was fully written by Imrédy, while the preamble was written by Pál Teleki (Prime Minister in 1920–1921 and 1939–1941), who introduced the *numerus clausus* regulation in 1920. One of the main arguments used to justify the Second Jewish Law was that the number of Jews living in Hungary had increased further as a result of the re-annexation of the Upper Province from Czechoslovakia: 6.3 percent of the population falling under Hungarian jurisdiction (67,876 from 1.075 million people) were now Jewish, or even more if one were to take into account converts as well.¹⁰⁸ By the time this law was adopted by Parliament in 1939, after Carpatho-Ruthenia had been occupied in March, ratios had “deteriorated” even further.

The occupational quotas set by the First Jewish Law were narrowed down even more by the Second Jewish Law, the quota for certain occupations being set at 12 percent, and reduced to 6 percent for other occupations. While the First Jewish Law still defined the meaning of “Jew” in a rather religious sense (although the definition contained racial elements as well), the Second Jewish Law already used a racial definition, and the so-called Third Jewish Law adopted in 1941 (Act XV of 1941) was a typically race-protectionist legislative based on the Nazi model.¹⁰⁹ Successive Jewish laws used an increasingly complex definition of the term “Jew,” while on the other hand containing a very complex set of categories of exemption (war veterans, war widows, war orphans, medal owners, Olympic champions, etc.). In any case, in the spring of 1941 not only were Hungary’s 725,007 citizens of the Israelite religion subject to the Jewish laws, but nearly 100,000 individuals of the Christian faith as well.¹¹⁰ So in the first half of 1941 there were nearly 825,000 “Jews” living in Hungary, that is 5.6 percent of the entire population (14,683,323 people).¹¹¹

Anti-Semitic legislation targeted mostly the livelihood of those concerned. (Exceptions included the Third Jewish Law, a statute of the Nürnberg type, and Act VIII of 1942 to a lesser extent, the latter restoring the Israelite denomination to a second-grade religious community.) After Trianon, the employment absorption capacity of the traditional occupations

of the Christian middle classes—i.e. the army and public administration—was dramatically reduced. The Trianon Peace Treaty limited the maximum size of the Hungarian army to 35,000, so that many active soldiers (both officers and ordinary soldiers) were left without a source of income; it also reduced the territory of Hungary to one-third of its previous pre-1918 level, so that the larger part of the country's state administration was left without a job. The situation was made dramatically worse when thousands of Hungarian officials and their families fled from territories now annexed to neighboring countries and relocated to Hungary. The previous distribution of labor and the allocation of positions within society as had evolved during the period of the Dual Monarchy simply collapsed. The increase in the level of demand for doctors and attorneys could not keep up with the rate of influx of new professionals, and recurrent economic crises prevented the creation of many skilled jobs in trade, banking and industry. In fact, between 1900 and 1930 the percentage of Jews among physicians and attorneys had fallen radically. Thus no Jewish law was really needed to turn the changing of positions into reality: the passage of time would have done it. But Christian society closed its eyes to this trend, and besides, rising tensions could not have been controlled for such a period of time. So in the absence of a different solution, Gentile Hungarian professionals started competing for jobs filled by Jewish individuals. The *Numerus Clausus* Act of 1920 was meant to advantage unemployed groups of Christian officials and professionals flooding in from territories annexed from Hungary as a result of the Trianon decision. The First Jewish Law (1938) and the Second Jewish Law (1939) were partly meant to ensure a fully homogeneous Christian labor force in traditionally Christian positions (the public service), and partly—at the cost of positions surrendered by Jews—to open the road for Christian social groups to jobs that until then had been traditionally neglected or little esteemed by them.

Until now historiography has failed to appreciate the wholesale economic implications of the Jewish laws; specifically, the Second Jewish Law removed approximately 40,000 people from jobs, and 90–100 million pengős were channeled to Gentiles.¹¹² Liquor licenses were withdrawn from Jews in 4,800 cases (representing 17 percent of all licenses), and market trade licenses in 15,000 cases. Several thousand people were excluded from the professional bodies of doctors, engineers, and attorneys. In Budapest the licenses of 700 market traders and nationwide the licenses of 4,500 grain merchants were withdrawn in view of the holder's origins.

50,772 Jewish workers lost their job by December 31, 1940, and consequently the subsistence of 82,869 family members was under threat. The number of those who lost their livelihood rose to nearly 200,000–220,000 by the end of 1942. All this was neither a sudden nor a surprising development. During the debate of the Second Jewish Law in the Upper House of the Hungarian Parliament on April 17, 1939, Ferenc Chorin, a large industrialist who had converted to Christianity, foresaw exactly what was going to happen: “I would not like to bore the Upper House with figures ... so allow me just to point out that according to our calculations there is a group of approximately 90,000 people who need to be replaced. This means that approximately 200,000 people will be left without an income, and will essentially become drifters, for only a small part of them will get a severance pay, and even the severance pay they will get will be spent very soon.”¹¹³

The dominance of Jews in industry kept declining as Jewish laws were implemented. Until 1939 the number of Israelites owning industrial plants kept rising, then started to slowly decline, with a considerable drop taking place only in 1942. The total number of industrial plants considerably increased, while the proportion of owners of the Jewish faith gradually declined; yet nearly one-fourth of industrial plants were still in Israelite ownership even in 1942.¹¹⁴ Of course, these figures are exclusive of industrial plants owned by Jews adhering to the Christian religion, consequently the number of industrial units owned by Hungarian citizens subject to Jewish laws was higher than shown here, yet the tendency of decline continued.

Table 10: Total number of industrial plants and the proportion of Israelite owners (1935–1942)

<i>Year</i>	<i>Number of industrial plants (in the 15 officially recognized industrial sectors)</i>	<i>Number of Israelite owners</i>	<i>Percentage ratio of Israelite owners</i>
1935	3,491	1,507	43.2
1939	4,334	1,793	41.4
1940	4,391	1,713	39.0
1941	5,066	1,633	32.2
1942	5,822	1,342	23.0

Article 22 of the Second Jewish Law was already surprisingly frank about the objectives to be attained regarding the Jewish question: it

authorized the government to “facilitate the emigration of Jews.” But the emigration of wealthy Jews threatened the national economy with catastrophic consequences, in two ways. Firstly, withdrawing capital all of a sudden would have shaken the economic balance, and secondly, if wealthy Jews were to emigrate, then the Hungarian government would have had to finance from central budgetary resources the relocation of the poor or penniless Jewish masses who had lost their jobs and used up all their savings. Therefore the same Law called for the elaboration of the rules of taking abroad the wealth by emigrating Jews.¹¹⁵

Imrédy was no longer the Prime Minister when this law came into force. At the end of 1938 Imrédy was planning to perform governance by decree, but he failed. He was more successful than Gömbös in organizing a new mass movement loyal to himself, and proclaimed a “miraculous revolution.” Nevertheless Horthy and the group of conservatives centered around Bethlen turned against Imrédy. By a strange twist of fate, Imrédy, who was trying to set up a dictatorship, was relieved from his duties by Regent Horthy in early 1939 on the excuse of discovering that one of Imrédy’s ancestors was Jewish. But the political turnaround headed by Imrédy could no longer be reversed. The fact that Imrédy’s successor was Pál Teleki, who introduced the *Numerus Clausus* Act in 1920 was an ominous sign.

When he was already appointed Prime Minister, Teleki said about the Second Jewish Law prepared by Imrédy that it was not stringent enough, because it granted too many exemptions, even though Teleki himself wrote the preamble to the same law. When the Upper House proposed a number of amendments to relax the Second Jewish Law during its parliamentary debate, Teleki called for these amendments to be withdrawn and spoke against further alleviating the “rigorousness of law.” Although Hungary did not enter the war until the summer of 1941, Teleki followed his predecessor’s example in deciding to finance the rising military expenses not by increasing inflation, but by putting more pressure on private capital than ever before. On October 11, 1940 industrial plants and mines were ordered in a government decree to first pay a 7 percent high price supplement, then starting from April 19, 1941 a 15 percent high price supplement. As the government offered no compensation whatsoever, private capital had to shoulder the entire burden of this measure, because the government also prohibited price increases. As happened in 1938–1939 with the economic development and army development program and the subsequent welfare package, the bill for the cost

of these war industry measures had mostly to be footed by Jews. Successive governments tapped the wallet of Hungarian Jews on at least six separate occasions between 1938–1941, including the Aryanization of liquor and sugar industry operations and the passing of the two Jewish laws with an economic aspect, not to mention forcing them to pay a host of other smaller scale imposts.

István Kultsár was appointed to oversee the implementation of the Second Jewish Law. Since 1937 Kultsár had also been “government commissioner solving the unemployment in intellectual professions,” and in 1938 he was selected to oversee—also in the capacity of government commissioner—the implementation of the “economic balance act,” in other words, the Jewish Law. Under the Jewish Law all companies employing professionals were required to report every six months on the “racial” status and salary of their employees. Kultsár was empowered to make lay-offs and pay cuts, to start penal proceedings, and to suggest the appointment of a plant manager at the company’s cost if any irregularity was discovered. At the same time, Kultsár was also responsible for delegating “changers of guard” to individual companies, thereby creating his own internal network of informers on Jewish matters. Jewish employees were “lucky” that the Law defined an interim period of 3–5 years for its implementation, so they could not be immediately sacked from non-managerial positions. Nevertheless, Kultsár arbitrarily removed dozens of people, and they could get back their jobs only if they had influential patrons. At the end of the day, Kultsár’s actions as government commissioner put a spanner even in the works of the war industry, because forced lay-offs caused a shortage of skilled labor. On the other hand, the gain of the Christian middle classes appeared to be significant: the more ambitious could reap board of directors and supervisory board membership and fat salaries, often leaving effective work to the real professionals who—after being reclassified as physical workers—were still there in the background. These developments did of course lead to excessive corruption, blackmail and abuse of power. Under the pretext of social justice, protecting the Christian classes and other fine-sounding slogans, many were unscrupulously lining their own pockets. The young Aryanization officials of the Ministry of Industry routinely blackmailed Jewish industrialists under their control to cede a certain part of company shares in their ownership to selected friendly groups of Christians in return for being allowed to keep the concessions of the Jewish plant in question.¹¹⁶

In 1943 Kultsár fell from grace due to a corruption affair, but in the aftermath of the German occupation of Hungary he was restored to his previous position.

A shortage of skilled labor might well have prevented the full transformation of the economy: a considerable part of production plants were in Jewish ownership, and Jews tried to get round the changing of positions whenever they could. One way of doing so was using the so-called “Aladár” or “Stróman”, i.e., façade company method, whereby the companies concerned were either formally transferred into the name of Christian owners, or Christian managers without real decision-making powers were given positions on the board of directors or supervisory board, or Christian employees were hired to formally replace skilled Jewish labor force, while the latter were kept, only in lower positions. The term “Aladár” was used for Christians who contributed only their name and origins to the company but never effectively did any work. Generally speaking the changing of positions caused the basest instincts in civil society to surface, as it is evidenced by the thousands of anonymous reports made to various authorities and published in the press.

On the territories re-annexed to Hungary the Hungarian army also took its share from these and other Aryanization measures. Even though Teleki did everything he could to curb the excesses of military administration against national minorities, not even he could restrain overzealous soldiers marching into Carpatho-Ruthenia in 1939 and to Northern Transylvania in 1940 in their treatment of the Jews. The military administration thought that it was entitled to sack the managers of enterprises, ban the owners of these enterprises from entering their own work-sites, and appoint receivers. Chief of Staff Henrik Werth openly admitted that the objective of these measures was to achieve a changing of the guards, that is, to expropriate Jewish wealth. As he put it: “... the managers of hotels, restaurants, confectioneries, drug stores, etc., generally of larger operations, must be replaced by Christians, or these must be transferred into Christian ownership, making sure that they end up in the hands of trustworthy Hungarians possessing the necessary capital. If people possessing the necessary capital cannot be found, then the Jewish company or shop in question must be evaluated and the trustworthy Hungarian Christian taking it over must be ordered to pay the estimated value, which should be done for large values by several installments payable over a period of 10–15 years.”¹¹⁷ Jews were refused licenses to

start up new enterprises, as they were classified “untrustworthy from the point of view of national security,” and the measures of military authorities could not be appealed against.¹¹⁸

A few months after the signing of the agreement of friendship between Hungary and Yugoslavia, Germany attacked Yugoslavia. As Regent Horthy and many of his ministers did not want to let this chance for a new territorial revision slip away, after some debate they decided to mobilize Hungarian troops. Teleki alone objected to Hungary's involvement, and the foreign policy concept of Hungary as a neutral country collapsed. The Prime Minister drew the personal consequences, and in April 1941 shot himself in the head at his residence. But the *mea culpa* did not extend to the new Jewish laws, which had already been past the planning phase. In the summer of 1941 Teleki's successor, László Bárdossy, submitted to Parliament the Third Jewish Law, formerly prepared by Teleki, which prohibited the marriage and sexual contact of Jews and non-Jews on racial grounds.

The Fourth Jewish Law (Act XV of 1942) was yet another important chapter in the history of the changing of positions. It deprived Jews of the right to buy new agricultural real estate, to own such property and to buy any type of real estate in small and large villages. Moreover, it ordered the nationalization—against the payment of government compensation—of every agricultural and forestry real estate whether in private or corporate ownership, with certain exceptions. The Second Jewish Law had already ordered the drawing up of a separate register of Jewish landowners, but the law did not apply the statutory minimum size of 250 hectares to landed estates in Jewish ownership, in other words, all Jewish land was made available for expropriation, regardless of its size. This started off a landslide process, because anyone interested in buying land was aware that Jewish owners were in the most weakest position. A register of claimable Jewish landed estates was drawn up for every administrative unit in Hungary, and it was submitted to the Ministry of Agriculture. As early as on October 20, 1941 László Endre intervened with the Minister of Justice about Jewish estates, of course suggesting even more restrictions. He requested special warning be given to potential buyers during the auctioning-off of agricultural property whenever a Jewish estate was going under the hammer “because if a born Christian were to buy such property in good faith ... then he would be making a bad deal, because the inflated price would unfairly enrich the Jew whose property was being sequestered...”¹¹⁹

When the Minister of Agriculture had enough of the abuses committed in connection with Jewish estates, he issued a decree on March 21, 1942 (in reference to Prime Minister's decree 1750/1942.) prohibiting any further carving up and ceding of Jewish estates, after many representatives of the local authorities had used threats to acquire inexpensive Jewish estates. The Minister ordered any contracts already signed to be submitted to him, and had them evaluated one-by-one and signed them individually.¹²⁰

Consequently, Act XV of 1942 only accelerated an already existing practice by ordering the immediate and statutory expropriation of Jewish property, whereas previously it was made conditional on the fulfilment of certain prerequisites, and changed the method of payment of any consideration from payment in cash to payment by debt instruments with a maturity of 30 years and paying 3.5 percent interest, and which could not be sold on the open market. Given low redemption prices, former owners were fobbed off with purely symbolic amounts. The total size of redistributable land increased to 1 million holds of arable land and 0.5 million holds of forest.¹²¹ We do not have precise information about how the Act was executed. According to Miklós Kállay, more than 1 million holds of Jewish land was expropriated by the state during his term as a Prime Minister (1942–1944). The government used these estates for welfare purposes and stabilizing its own political support base: 20,000 holds were turned over to Országos Népi és Családvédelmi Alap (ONCSA—National People and Family Protection Fund), and 130,000 holds were given to the so-called Vitézi Szék (Heroes' Post) comprising First World War veterans loyal to the regime.¹²² If we take into account that in 1933 on the territory of Trianon Hungary 1.5 million holds of land were owned or managed by Israelites, in addition to other landed estates located on the re-annexed territories and agricultural land and property owned by Hungarian citizens who were subject to Jewish laws even though they had converted to Christianity, then it is easy to see that the Act was not fully carried out.¹²³ The same could be said about the execution of other direct and indirect Jewish laws and decrees. The "secondary economy" flourished, and a whole illegal network of subcontracting and "Aladárs" developed, so many of those who had lost their jobs nevertheless retained their livelihood with only minor losses.¹²⁴ Moreover, this was often done with the silent approval of the authorities, because in a war economy on a rising curve the government could not afford to physically exclude Jews from trade and industry, nor do without their professional expertise and

experience or their connections inside Hungary and abroad.¹²⁵ The ambitions of Minister of Finance Lajos Reményi-Schneller and his circle for anti-Semitic economic expansion caused very serious problems, and even in the short term made an already very vulnerable Hungarian national economy ever more exposed to Germany.¹²⁶

But all this was still not enough for the continuously rising number of extremists. In his book entitled “Zsidókérdés” (The Jewish Question), published in two parts in 1940, Bosnyák demanded the breaking of the domination of Jewish “bankocracy” once and for all: “however great the obstacles might be, this vestige must be removed from the Hungarian economy by surgery.” He did not keep his preferred methods a secret: he thought that the way to get rid of Jews in Hungary and in Europe was to adopt the German policy of making Jews emigrate under duress, a process which was accelerated by the events of the Crystal Night of November 1938, and to allow Jews to realize their long-awaited dream of having a country of their own by founding a Jewish state on one of the colonies.¹²⁷ In his next book, published in 1941 still before the introduction of the Third Jewish Law and entitled “Szembe Judeával” (Face-to-Face with Judea), Bosnyák went even further. Based on the experience of its implementation, he called the First Jewish Law theoretically significant but a practical fiasco, and contemptuously referred to the Second Jewish Law as a “circumcised” legislative act. Bosnyák was annoyed at the complex of exceptions within this law, and the absence from both laws of a vision of the future and a radical character. In his opinion, the occupational quotas these laws established for the Jews were too high and could not be enforced in practice, and Christian society wanted to see a more radical and rapid solution. Bosnyák would not have been faithful to himself had he not put forward his own specific proposal for a third Jewish law, which he thought was inevitably forthcoming in the near future. He demanded banning the marriages and the “mixing of blood” between Jews and non-Jews, and, as it happens, his demands were fulfilled by the Third Jewish Law, adopted in the summer of 1941. Bosnyák also proposed to revise and supplement the wording of the Second Jewish Law, with the following aims: that Jews would be barred from acquiring and owning land (this was partly done by the Fourth Jewish Law in 1942); that the Minister of the Interior would be required to review citizenships attained in 1941; that miscegenation would be punished with imprisonment and in grievous cases with sterilization; that special classes would be set up in school for Jewish chil-

dren; and finally, without exception all Jewish companies employing more than 100 people would be subject to forced Aryanization. To avoid any misunderstanding Bosnyák ended his treatise with the following assertion: "While procedural rules and restrictions might make co-existence temporarily tolerable, they cannot solve the Jewish question. There is only one solution: to have Jews removed from Hungary."¹²⁸ Bosnyák made it clear that he wanted to chase away not just Orthodox Jews coming from Carpatho-Ruthenia and Northern Transylvania: "There are signs that the relocation of Jews from Europe will not be delayed for long now. In any case, we too have to prepare ourselves for this possibility in good time... We are talking about the migration of at least half a million of people. This is a major task to organize."¹²⁹

Whoever thinks that Bosnyák was one of the wildest extremists for putting forward these radical ideas would be wrong. Starting from 1939, similar or even more horrific ideas became virtually a commonplace, and were given material form in the bills presented to the Hungarian Parliament. The authors of these proposals could be quite sure that, regardless of their party affiliation, the majority of parliamentary representatives would vote in favor of their proposals; yet until 1944 these never materialized in the form of bills, due to the resistance of Prime Minister Miklós Kállay and Regent Horthy.

To give just a few examples, already in 1939 two Arrow Cross members of Parliament, László Budinszky and Géza Szögi, demanded to have the Second Jewish Law further developed. Budinszky urged bar associations to adopt the *numerus nullus* regulation on November 13, 1940 for the first time. He repeated the same demand on December 27, 1941. On June 30 Szögi submitted a draft resolution about the same topic, and in addition Budinszky called for the general ghettoization of Jews. These two parliamentary representatives addressed interpellations to the Minister about the *numerus nullus* proposal on June 3 and 6, 1942 and on November 28, 1943. In a speech delivered on June 1, 1942 Budinszky described his detailed proposal for the complete Aryanization of Jewish property: he proposed to give one-third to war invalids, one-third to a "support fund" serving welfare purposes, and one-third to a fund financing the emigration of Jews.¹³⁰

The most extreme proposals were made by Count Miklós Serényi, the head of the Jewish Department of the Arrow Cross Party, László Endre's closest friend. In May 1940, more than a year before the Third Jewish Law was adopted, Serényi demanded a ban on mixed marriages

and sexual contact between Jews and non-Jews. He was not Endre's friend for nothing: when he urged banning Jews from public baths, Endre soon passed a decree to that effect as the Sub-prefect of Pest county. True, what he did was quite illegal, as an investigation ordered by the Minister of the Interior later established. Some time after that, Count Serényi wrote a study about "the possibilities for the resettlement of Jews living in Hungary," in which he suggested banning Jews from towns and villages with a population of less than 50,000, and encouraging them to emigrate by shutting them up in ghettos. At the end of 1941, Serényi demanded to have a name register of displaced Jews drawn up, including those who were "resettled in Galicia" in the summer and "all of whom have returned."¹³¹ As early as in June 1942 Serényi urged the total ghettoizing of Hungarian Jews on the example of the Warsaw ghetto (which the Germans started to liquidate less than a month later, and where at the time "only" 3,000–4,000 people died of starvation a month¹³²), though in fact Levatic, another member of the circle of friends gathered around Endre and Bosnyák, had put forward the same proposal a year earlier.¹³³ Then in November Serényi *expressis verbis* demanded in Hungarian Parliament to have Jews massacred. He suggested to have a thousand Jews executed after every air raid, and that next time "the same should be done to 10,000 Jews, and so on, until we would either get rid of Jews in a short time, or the bombing of the country would stop."

In 1943 Serényi even published his draft proposal in a newspaper, and it very closely resembled the ghettoization and deportations actually carried out in 1944. As a temporary solution, until the ultimate resettlement of Jews happened, Serényi proposed to make a selection among Jews according to their ability or incapacity to work. "The first group shall comprise able-bodied men, accounting for nearly 35 percent of all Jews. The second group shall comprise Jewish women, children, the sick and the elderly. They account for approximately 65 percent of Jews. Jews in the first group shall be sent to labor camps to be set up all over the country. Each labor camp can hold 5,000 Jews. A smallish sentry-post for the guards shall be built alongside each barrack building. A watch-tower shall be built at the entrance of every barracks camp, and should be equipped with a machine-gun that can point in every direction. The entire camp shall be encircled by a strong barbed wire fence under a high voltage current. The cost of setting up all labor camps is nearly 80–100 million pengős, which is not much, because all of it will be financed from Jewish money."¹³⁴

If we add to this that Lajos Reményi-Schneller—the Hungarian Minister of Finance from 1938 until the collapse of the system in 1945—repeatedly mentioned in 1941–42 that he was going to make a detailed plan for the “liquidation of Jewish capital” even before the “departure” of Jews from Hungary in a short time, then it becomes clear that the fleecing and expulsion of Jews was more than just the crazed ambition of a few extremist individuals.¹³⁵

Ever since the time of Imrédy's Prime Ministership, the Hungarian government, the body of public administration officials, the army, the country's professionals, and the whole society were in practice ready for the total plundering of Jews which actually took place in 1944. At the last parliamentary elections before 1945, that is, the first secret elections in 1939, the 25 percent of votes cast for the Arrow Cross bought them only 18.8 percent of seats in Parliament, while the governing party got 70.3 of parliamentary mandates with 49.3 percent of the votes. Members of the Arrow Cross were kept away from political power by administrative and police measures (banning newspapers, arrests, court cases). In the fall of 1939 the outbreak of the war led to the introduction of censorship and a war economy. In principle, confronting the Arrow Cross Party's 300,000 members the Prime Minister could rely on the parliamentary representatives of the governing party, but they behaved exactly in the same way as the majority of the Hungarian intellectuals and the middle classes did. The majority of them approved of taking away from the Jews their rights under anti-Semitic policies and the redistribution of Jewish wealth. The outbreak of war resulted in the declaration of a state of emergency, Parliament was seldom in session, and seemingly the extremists had been prevented from coming to power. At the same time, given the social background and the state of parliament at the time, there was no need for pressure to be exercised by German foreign policy makers to ensure the passing of increasingly radical Jewish laws in Hungary.

By carefully looking at the proposals submitted between 1919–1943 and the anti-Semitic legislation that was voted for in Parliament, we see that the measures declaring the total deprivation of Jews of their property and rights after March 19, 1944 were different from the ones preceding them only in terms of their magnitude and in a purely quantitative aspect. On the wake of the Jewish laws various executive decrees, statutes, and by-laws regulating specific details were passed one after another.¹³⁶ The executive decree to the Second Jewish Law (Prime Minister's decree 7720/1939), for instance, ordered Hungary's public adminis-

tration apparatus to collect detailed information about locally employed artisans. From these records was to be calculated what percent of the total number of trade licenses and permits were held by Jews. Any company whose executive qualified as Jewish pursuant to the letter of the law was also deemed Jewish. Thereafter, the local municipal authority could withdraw licenses, and had a statutory obligation to turn down the license applications of Jews if they were above the occupational quota of 6 percent for their trade. Lists were being drawn up nationwide by the thousand. And as befits law-abiding citizens, Jews reported both their companies and themselves. They had no idea that anyone who got on one of these lists after 1939 automatically signed up to be one the many hundred thousand people who in 1944 were first crowded into ghettos, then into railway wagons, and finally into the gas chambers of crematoria. Thanks to the implementation of Jewish laws and decrees, between 1938–1944 Hungary's public administration apparatus had gotten used to treating Jews as second-class citizens, against whom ever new restrictive measures had to be used. The deprivation of Jews of their rights and the plundering of their property step-by-step turned into a bureaucratic, paper-pushing exercise, and in this sense the implementation of anti-Jewish decrees brought nothing novel after the German occupation of Hungary and was not seen by the decision-makers concerned as something to be morally condemned.

8. THE ROAD TO THE HOLOCAUST: HUNGARIAN JEWS DURING THE SECOND WORLD WAR (1939–1944)

Hardly a month after the special units (Einsatzgruppen) of the Sicherheitsdienst (SD—Security Service) were deployed—at the same time as Germany attacked the Soviet Union—and started killing any Jews they happened to come across on their way, in Hungary the deportation of so-called “alien” Jews (whose nationality could not be ascertained) began. Deportations were decided by a consensus between the Ministry of Defense, the Chief of Staff of the Hungarian army, the Ministry of the Interior, the management of the Külföldiek Ellenőrző Országos Központi Hatóság (KEOKH—the National Central Alien Control Office), and the heads of the military and police apparatus controlled by them. Moreover, Miklós Kozma, the government commissioner for Carpatho-Ruthenia, obtained the support of Prime Minister László Bárdossy

(1941–1942) for the decision. As part of this scheme, the Hungarian authorities transported nearly 18,000 Jews across the border to German occupation zones in a matter of just a few weeks starting from the end of July, where most of them were executed by the SS at the end of August. News of the massacre reached the Hungarian government as well, and after taking the area under control the Germans were allowing further transports, and so deportations stopped.¹³⁷ But no more than 2–3,000 of those deported returned to Hungary: the rest were shot in mass graves.

In January 1942 the Hungarian gendarmerie and army squads extended the scope of what started off as an anti-partisan hunt to include civilians as well and shot dead more than 3,300 people, nearly 700 Jews among them, in and around Újvidék, a city re-annexed to Hungary by Yugoslavia. Under pressure from the opposition and various groups with an Anglo-Saxon affiliation, proceedings were brought against the perpetrators, something previously unprecedented in the period of the Second World War. Four of the main perpetrators (Lieutenant General Ferenc Feketealmy-Czeydner, Staff Colonel József Grassy, Colonel László Deák and Captain of the gendarmerie Márton Zöldi) escaped to Germany to avoid being held accountable, only to return dressed up in SS-uniforms after the German occupation of Hungary. The perpetrators who stayed in Hungary got long prison sentences: 10–15 years of penal servitude. The Hungarian government started paying compensation to the families of the victims. It was typical, however, that Jews were not eligible for compensation even if their claim was substantiated.¹³⁸ Between 1942–1944 the only reason why Hungarian Jews had to suffer even more losses of human lives was that tens of thousands of Jewish men were enrolled in labor service units, a specifically Hungarian invention, on the Eastern front. Nearly 25,000 (according to other estimates 42,000¹³⁹) of them died due to bad treatment, starvation, diseases and fighting, or fell into Russian captivity.

The Hungarian government came face-to-face between 1938–1944 with the looting and deportation of Jews with Hungarian citizenship but living in the Reich and in western territories under German occupation. It is frequently pointed out to this very day that in contrast with many of its neighbors (e.g. Slovakia and Croatia) Hungary did not abandon its Jewish citizens living abroad.¹⁴⁰ But facts and documents on Hungary's foreign policy tell a different story. In 1938 nearly 2,000–4,000 Jews with Hungarian citizenship were living in Germany and Austria. Their number in the Czech-Moravian Protectorate in 1939 was 1,300–1,500, but on Polish territories under occupation only a couple of hundred, as against

5,000–7,000 in Western Europe after the Anschluss of 1940, of which 4,000–6,000 lived in France, 620–1,400 in Belgium, and 200–400 in the Netherlands.¹⁴¹ So—exclusive of the Balkans and Eastern territories—nearly 8,000–12,000 Hungarian Jews in total fell under German rule in other countries. According to the reports of Hungarian diplomats and the communications of Hitler and Germany’s senior foreign policy officials, the Hungarian government must have found out by the fall of 1942 or the spring of 1943 at the latest that Jewish deportees were being massacred by the Germans, yet only a couple of hundred of them were allowed to return to Hungary between 1938–1944 and thereby to escape death (at least for the time being).¹⁴² Hungary’s official position regarding the treatment of problems related to the Anschluss was highly ambiguous. To play for time, the Kállay government in 1942–1943 agreed with Germany to eight different final deadlines for the repatriation of Hungarian Jews living in other countries (December 31, 1942, and March 15, March 31, April 15, May 1, May 31, June 30, August 26, 1943), but did not respect any of these agreements.¹⁴³ This was very far from providing “efficient protection” for Hungarian Jews. But it seems that the main purpose of the Hungarian government’s policy and so of the lengthy series of conflicts with Germany was not so much to protect Jews, but rather to demonstrate independence of the Hungarian government. So giving exemption to Hungarian Jews from having to wear the Jewish star and preventing their deportation to forced labor camps or “labor service in Germany” (meaning: deportation to death camps) was more about expressing Hungarian autonomy than about rescuing Hungarian Jewish lives. Ever since the passing of the Second Jewish Law, Hungarian policies were aimed at encouraging the emigration of Jews from Hungary, and definitely did not include encouraging the return of several thousands of Jews of uncertain citizenship. Therefore, only a rigorously selected few (artists, professionals, businessmen, people of fame and their relatives, in other words various prominent figures) were allowed to return to Hungary, despite being aware that the Germans would not tolerate the presence of all others condemned to remain abroad, who were bound to be arrested, deported and finally killed.¹⁴⁴ The majority had to face increasingly stringent policies: starting from October 1938 the Hungarian Minister of the Interior stipulated more stringent requirements for the verification of the citizenship of Jews staying abroad, and Prime Minister Miklós Kállay ordered Hungary’s foreign outposts by decree 4642/1942 to allow the repatriation only of Jews who possessed a valid Hungarian pass-

port or citizenship certificate issued after September 1, 1939.¹⁴⁵ This meant that nearly every single Jew living in other countries had to submit to examination once again, whether or not the applicant already possessed a valid passport and citizenship earlier on. The same decree issued by Kállay defined one of the main governing principles of this review as follows: "pursuant to the cited decree, individuals who lost their citizenship would be allowed to return home provided that they possessed large wealth and were not subject to any excluding criteria."¹⁴⁶

The wealth of Jews tended to be more important for the Hungarian government than their lives were. Both the Germans and the Hungarians were trying to put their hands on as much Jewish wealth as possible under the pretext of "addressing" the Jewish question. And the stakes in the race for the wealth of Hungarian Jews were high: in France its value amounted to 0.5–1 billion French francs, in Belgium to 8–15 million Belgian francs, in the Netherlands to 2–3 million U.S. dollars, and in Germany and Austria to nearly 250–500 million marks, that is to 1.2–2.4 billion U.S. dollars at current value.¹⁴⁷

Hungary intervened with the Germans via its Embassy in Berlin and announced its claim for the wealth of Hungarian Jews living abroad. At subsequent meetings the Germans in fact acknowledged that the laws they introduced on occupied territories did not cover either Hungarian Jews or their property. In return, the Germans demanded Budapest "remove Hungarian Jews from the occupation zones by a finite deadline, and take care of the liquidation or Aryanization of their wealth." To address this issue, the Hungarian government even sent a delegation in the spring of 1943 to "study the various aspects of the wealth of Hungarian Jews in the Western occupation zones." The March 22, 1943 report of the delegation concluded the following: "As this problem has not been solved for two years now, certain German authorities have sent a considerable part of Hungarian Jews to internment camps, or transported them to the East and liquidated or Aryanized their wealth in a manner which was not in the best interests of the Hungarian government." The report recommended Kállay to give protection to the Jews in return for their wealth, because "if Jews could see that the Hungarian state was giving them personal protection, then it could bring to light a considerable part of hidden property, because they would be willing to make any sacrifice to save their lives."¹⁴⁸

There are hundreds of documents to prove that while it took years for the various Hungarian authorities responsible for foreign and domes-

tic affairs to “work on” the evaluation of the applications of Jews wishing to flee back to Hungary, the Nazis “resolved” most open cases by arresting and taking Hungarian Jews—who did not go into hiding in due time—to the Drancy, Mechelen or Westerbork internment camps, then deported them to Auschwitz and other death camps, and had them killed. Due to the delayed action of the Hungarian authorities, the Germans often deported prominent individuals, too, who had been selected to return home.¹⁴⁹ Any wealth left behind was looted from time to time not only by the German authorities, but also by the local collaborating authorities, and especially French policemen. After lengthy negotiations, it was sometimes possible to appoint Hungarian custodians (*Treuhänder*), and Jews often gave their wealth into the custody of Hungarian diplomatic outposts set up in different countries. Between 1938–1944 Hungarian Jews living in the Reich and in Western Europe were lucky if they could “buy” their lives from the Hungarian government in return for their bank deposits, factories, companies, tenement buildings, flats, art treasures and any other property, and quite a few of them even managed to rescue part of their wealth. Theoretically, deals like this were successful, but in practice the Hungarian government repeatedly defrauded the money transfers of Jews which they were trying to send back home.¹⁵⁰ According to documentary evidence, between 1942–1943 the majority of them ended up in Auschwitz-Birkenau, Theresienstadt, Buchenwald and Ravensbrück, and did so with the knowledge of the Hungarian government.¹⁵¹

Despite these facts and growing anti-Semitism, large masses of Hungarian Jews enjoyed virtually unprecedented security as compared to other European countries under the “new order” of the Nazis, even if they did heavily suffer from the negative economic impact of anti-Semitic legislation passed during the period between 1938 and 1943. In 1942–1944 the conservative Kállay government refused to isolate, ghettoize and deport Hungarian Jews, thereby defying the demands of Germany and Hitler himself, while the Nazis were deporting European Jews to extermination camps by the hundred thousand in accordance with the program discussed and agreed at the Wannsee conference on January 20, 1942. The predominant majority of the Hungarian Jewish community spent the first 55 months of the Second World War under slowly deteriorating living conditions, and although several tens of thousands lost their lives, they nevertheless pulled through fundamentally secure.

9. 1944—THE LOOTING OF JEWISH WEALTH AND ITS MAIN PROBLEMS: SPEED, LEGAL CONTROVERSIES, INSTITUTIONAL RIVALRY, AND THE GERMANS

This state of relative security vanished when Germany occupied Hungary on March 19, 1944. Along with the Wehrmacht came the Gestapo, and in a matter of just a few hours they arrested hundreds of conservative, opposition and anti-Fascist politicians, police officers, journalists and heads of companies, based on ready-made lists. This move amounted fundamentally to liquidating the remaining base of anti-German resistance, however weak that may have been in the beginning. Horthy did stay in office, and after some hesitation appointed a new quisling government, thereby legitimizing the new situation. Döme Sztójay, an enthusiastic anti-Semite and Ambassador of Hungary to Berlin, became the new head of government.

Endre wasted no time as Sub-prefect of Pest County, either. Though there were not yet any signs of new central anti-Jewish decrees—and indeed the new government had not even been formed—Endre immediately began to purge the personnel within his own sphere. Together with these changes he issued nine anti-Jewish decrees from March 20–22, without any instruction or permission from the government, including several whose complete illegality had become clear before the German occupation. Some of the more important ones include: denying Jews access to sugar and lard (the decree concerning the latter had already been declared illegal and invalidated by the previous Minister of the Interior in 1942), ordering the confiscation of Jewish apartments and summer residences larger than one room, confiscation of radios in the hands of “Jewish and Communist-suspect elements,” disbanding several Jewish organizations and political parties on the left, ordering the internment of “suspicious” Jews, “sifting out” the works of Jewish writers from libraries and bookstores, and finally but significantly ordered the rescinding of industrial permits granted to Jews.¹⁵² A few weeks later, the new administration expanded these decrees to the entire country, though Endre had initiated the removal of Jews from the life of Pest County on his own.

On March 22 the new pro-German government was officially formed by Sztójay. He, in turn, appointed Andor Jaross—a member of Imrédy’s party—to be the Hungarian Minister of the Interior, and László Baký as his political State Secretary (Baký was formerly a major in the Hungari-

an gendarmerie and the leader of a minor national-socialist fraction in the Parliament). A few days later Jaross asked László Endre to fill the position of the State Secretary for the public administration in charge of Jewish affairs. Knowing the previous history of these new senior officials, it is no wonder that there was perfect coordination between Eichmann's Sondereinsatzkommando and the Hungarian domestic leadership. Eichmann developed a particularly close, even friendly relationship with László Endre. Within a few days after the German occupation it turned out that the anti-Semitic propaganda of the previous years had not been in vain. Meetings with the Eichmannkommando were attended by both Endre and Bosnyák. The first meeting took place at the County Hall on March 29.¹⁵³ During his hiding in Argentine Eichmann recalled his first dinner with Endre as follows: "On that evening the fate of the Jews in Hungary was sealed" ("Dieser Abend bestimmte das Schicksal der Juden in Ungarn").¹⁵⁴ On the following day Eichmann and Endre's close staff had dinner at the County Hall again. This was the most obvious venue, because both Endre and Bosnyák had their offices in that building. On this occasion Eichmann handed his machine-gun to Endre, and the Sub-prefect hastened to test it immediately in the courtyard.¹⁵⁵ Around this time, SS-Hauptsturmführer Wisliceny, who had visited Budapest several times before Hungary's occupation in his capacity as Jewish attaché of the German Embassy to Pozsony (Bratislava), met Bosnyák to discuss the specific details. Thus, it is not surprising that the Germans gave Endre the text of the Slovakian Jewish Laws in translation to read just before the new Hungarian Jewish decrees were issued.¹⁵⁶ In addition, Endre received the text of the relevant Slovak statutory regulations from Eichmann, and not surprisingly he appointed Bosnyák to be an advisor to the Ministry of the Interior, while Endre himself (then already in the Ministry of the Interior) actively participated in the drafting of the decree ordering Jews to wear the yellow star.¹⁵⁷ But Endre did not need help from the Germans: he could rely on the decrees that were formerly elaborated and introduced in Pest county with the involvement of Bosnyák and his team.

The Ministry of the Interior now took the lead on Jewish matters. Other ministries were intensely working on plans for new Jewish decrees and Jews had already been wearing the Jewish star for two days when on April 7 a meeting took place at the Ministry of the Interior with the participation of several high-ranking officials and gendarme officers. The agenda was determined by Endre in accordance with his previous consultations with Eichmann. At the end of this meeting Baky signed a confi-

dential decree, 6163/1944 entitled "Designating the place of residence of Jews," which was previously drafted by Endre on the basis of Eichmann's recommendations. The decree began as follows: "The Hungarian Royal government will cleanse the country of Jews within a short time. I hereby order the cleansing to be conducted district by district, as a result of which Jews must be taken to the designated collection camps regardless of their gender and age." As at this time Endre was, formally speaking, still only a Sub-prefect delegated to the Ministry of the Interior, and was to receive his official appointment as State Secretary only a few days later, the decree was signed by political State Secretary László Baky. Over the next few weeks events were taking place with a speed, which was unprecedented even in the history of the Holocaust. Although the official decree about the ghettoizing of Jews was published only on April 28, pursuant to the secret decree, the process had started already on April 16, and it was basically completed in 6 weeks, with the exception of Budapest and its surroundings. On May 15 the mass deportation of Jews started, and within another 56 days a record number of Hungarian Jews left Hungary: 437,000 according to official German records, but in reality 450,000, including the 11,000–12,000 Jews who were arrested and deported due to the German "single operations" (*Einzelaktionen*). Approximately 95–96 percent of them emerged from their railway wagons on the Jewish ramp of Auschwitz-Birkenau after a horrific journey lasting two or three days, only to disappear for the most part without trace through the chimneys of crematoria within a few hours after their arrival.

So the first problem with seizing the wealth of the Jews was excessive speed. Thanks to the smooth cooperation between the *Sondereinsatzkommando*, Eichmann and the Hungarian Ministry of the Interior, the dynamics of expropriation could not keep up with the speed of the deportations. The systematic removal of nearly half a million people from their homes started before a governing principle could be worked out from the heap of various ordinances about the reception, management, storage, and future of the huge amount of wealth they were leaving behind. In the absence of such regulatory principles the controlled implementation of a task of this magnitude could not be ensured. All this did not mean of course that the looting of Jews did not take place. On the contrary, it did happen, and there can be no doubt about its totality. But often it looked like there was no homogeneous central driving force behind what was in fact happening, but rather a confusion born of the implementation of a myriad of local, ad-hoc ideas and proposals about

how the situation should be managed. In other words, the property of the Jews *was* seized, but not necessarily in the same way, by the same people, or when and where the Hungarian government might have wished. In Hungary 112 days were enough for what it took long years in Germany and the occupied territories to do. In just 56 days after March 19 Jews were excluded from society, ordered to wear the Jewish-star, and ghettoized. It took another 56 days starting from May 15 to deport Jews living outside Budapest to Auschwitz-Birkenau. In Europe, Aryanization and nationalization had been a time-consuming process, involving the temporary sealing by various governments of millions of fully furnished flats and houses, the blocking of the contents of many hundreds of thousands of bank accounts and safe deposit boxes, and the appropriation of the assets and stocks, current accounts and goods of many hundreds of thousands of shops, companies owned by millions of Jews across Europe, then re-channeling them into the economy after having allocated them to hundreds of thousands of new owners. It took 5 years in the Reich, 4 years in France, more than 3 years in the Netherlands, and more than 2 years even in a small country like Belgium to implement these measures. But one year after the German occupation Hungary was under the control of the Red Army, and the last third of this 12–13-months-period was just an agony of the state. In other words, the Aryanization of the wealth of Hungarian Jews had to be completed in practically 8–9 months.

The second problem was the failure to create a homogeneous legislative framework for managing the “enrichment of the nation.” The first decree relating to the totality of Jewish assets was dated April 10, 1944. Minister of the Interior’s decree 230.900/1944 concerned the wealth of Jews who were “absent” for at least one year, and appointed orphans’ courts to manage such property, justifying the decision by saying that “uncertainty about whether the individual who is absent is still alive does not prevent taking [the assets] into custody.”¹⁵⁸ In the second decree dated May 5 (by which time ghettos were being set up all over Hungary) Jaross once again confirmed the same intention. So the concept put forward by the Minister of the Interior aimed at a comprehensive “property reform,” which treated deported Jews as Hungarian citizens who were “prevented from looking after their assets and were staying at an unknown location,” and whose wealth was to be managed by custodians and public trustees vis-à-vis orphans’ courts. But as several contradictory orders existed on the matter, this scheme was implemented in very few places only, a practice which only made things even more chaotic.

Some time after the Ministry of the Interior had done so, the Ministry of Finance put forward its own comprehensive property statute, which at last contained a detailed regulation of the individual components of Jewish wealth. This was Prime Minister's decree 1600/1944 ME on the "declaration and seizure of the wealth of Jews." It was dated April 14 and became effective on April 16, and ordered Jewish citizens to report to the state all their movable and immovable property.¹⁵⁹ Theoretically, this report had to be made to the Financial Directorate in whose jurisdiction the individual in question belonged according to his place of residence, using a form accessible from the local public administration authority. Those concerned had to indicate on this form the estimated market value of individual assets. Exempt from this obligation were personal belongings and furniture, provided that their compound value did not exceed 10,000 pengő (then the equivalent of 2,000 U.S. dollars). The maximum value of the exemption was increased by 3,000 pengő for every family member. However, assets defined by this statute as "items of luxury" (art treasures, carpets, silver-wear, etc.) had to be registered without exception. This decree retroactively annulled every sale and purchase as well as donation agreement going back until March 22, thereby trying to prevent the uncontrolled draining away of Jewish wealth. This statute ordered Jews to deposit any cash, securities, precious metal and precious metal jewels in their ownership and exceeding 3,000 pengő in value, with any financial institution affiliated to the Center of Financial Institutions. Exempt from this rule were the wedding rings of Jewish married and engaged couples, but only if they did not contain real pearls or precious stones. Also seized were Jewish safe deposit boxes and bank accounts. Account holders were allowed to withdraw a maximum 1,000 pengő a month, unless the withdrawal was made in connection with paying salaries, rent, penalty, public utility arrears or taxes, in which case exceeding the limit was not only allowed, but it was a statutory obligation to do so. So Jews were allowed to make withdrawals exceeding 1,000 pengő only if they had to settle a debt to the Hungarian state or a Gentile citizen, and what is more, they were not allowed to default on their obligation. Jewish owners of shops and production plants were required to make an itemized inventory of their warehouse stock and plant equipment. The decree stipulated the right of the competent ministers to appoint managers to shops and production plants that were closed down but continued to operate because they satisfied some public demand, a practice that paved the way to thousands of Hungarian custodians or

property managers, or Treuhänders as they were known in Western Europe.

During the next few months this decree became the “legislative basis” for robbing the Jews of their wealth, because ministerial decrees regulating minor issues related to the treatment of Jewish assets falling under their control were as a rule made in reference to and based on decree 1600/1944. Yet, it soon turned out that a mistake had been made, because the legislation forgot to include in the scope of the decree companies limited by shares, foundations and associations, and—in principle—their assets could not be seized.¹⁶⁰ The legal loophole was plugged a week later, and a new decree came out ordering the dissolution of all Jewish organizations and associations. Theoretically, any movable and immovable property was ceded to the Provisional Executive Board of the Alliance of Hungarian Jews, that is the Jewish Council, which was set up by the Germans in March, though officially legitimized only a month later.¹⁶¹ As we saw happening with most similar decrees, practice once again diverged from the letter of the law. The moveable and immovable property of many associations ended up in the hands of extreme right organizations or passed into the ownership or management of local public administration authorities.¹⁶² The archives and libraries of associations being terminated had to be transferred for the purposes of “scientific research” to the Hungarian Institute for Researching the Jewish Question, which was set up in May and was headed by Zoltán Bosnyák.¹⁶³

The omission from the decree of companies limited by shares did not have practical consequences, partly because pursuant to decree 1600/1944 Jewish owners were required to deposit their shareholdings in large corporations, thus they lost control over such companies limited by shares (this is what happened to 49 percent of companies affiliated to the Weiss Manfréd concern)¹⁶⁴ and partly because on May 12 yet another decree was passed which declared the government’s right to appoint a new manager to any production plant or company if it was so required “in the interests of waging war.”¹⁶⁵ In April there was hardly any consultation going on between the Ministry of Finance and the Ministry of the Interior about their plans, and the confusion was further heightened because—while the aforementioned Endre-Baky secret decree ordered securities, precious metal and cash in Jewish ownership to be surrendered at branches of the Hungarian National Bank (HNB)—decree 1600/1944 designated different financial institutions for the same purpose. So only two HNB branches were willing to accept Jewish assets

from the authorities acting in accordance with the concept adopted by the Ministry of the Interior, as they were supposed to be acting in accordance with the concept adopted by the Ministry of Finance. At the same time, the HNB did get the consent of the Council of Ministers not to release securities, gold, platinum, jewels and treasures “in Jewish ownership and held by it” if they were confiscated during proceedings for the violation of currency regulations.¹⁶⁶ These Jewish assets were taken to Austria in 1945 on HNB’s evacuation train.

But the delay in adopting decree 1600/1944 ME was a much bigger problem: ghettoization in Carpatho-Ruthenia started on the same day as decree 1600/1944 ME became effective, that is on April 16, so there was nothing else left to do but to go ahead with rapid looting as ordered by Endre and his team. But even if the police, the gendarmerie and public administration authorities wanted to respect the new decree, Jews who had been deported from their homes, forced to leave their valuables behind and crowded into ghettos would have been physically unable to carry it out, in other words, they were in no position to make an inventory of appraise, deposit and declare their own assets. The authorities could not give adequate protection for the assets left behind, and many of them were simply stolen or destroyed. The fiasco could not be concealed. At the June 1, 1944 meeting of the Council of Ministers, Minister of Finance Lajos Reményi-Schneller said: “Most of these [ghettoized] Jews could not declare their wealth at all, and on the other hand the assets (valuables and movable property) that were left at the flats, shops, warehouses, etc., of Jews who had been relocated from their homes were left uncared-for and unattended, and so some of these—according to the reports of various financial directorates—perished.”¹⁶⁷

The efficiency of this looting was greatly hindered by rivalry between different government authorities. In order to restrain the chaos at last, and to coordinate the work of different ministries, Reményi-Schneller proposed to the Council of Ministers in early June to set up a government commissioner’s office to “implement solutions concerning the material and financial affairs of Jews in accordance with a standard set of principles,” and to give it control over Jewish assets. According to Reményi-Schneller it was necessary to “make it possible for ministers to delegate those tasks, which up until now constituted the exclusive competence of individual ministers pursuant to the relevant statutes.”¹⁶⁸ It is not surprising that the Minister of Finance wanted the new government organization to be supervised by his ministry: in effect Reményi-Schnel-

ler wanted to make sure that he himself was in charge of the Aryanization process. The Minister of Finance nominated one of his subordinates as a government commissioner. This was Albert Turvölgyi, who was previously in charge of Aryanization measures in the liquor industry and had extensive experience in expropriation matters. The government accepted both the nomination and the report. But then virtually nothing happened for nearly two months. Then rival ministers also became active and started to sabotage cooperation. Even though by mid-June Turvölgyi had already addressed some cases concerning Jewish wealth,¹⁶⁹ work of the Government Commissioner's Office for Handling the Material and Financial Affairs of the Jews did not essentially start before mid-August. The decree meant to regulate the scope of rights of the government commissioner did not become effective before July 23 either.¹⁷⁰ This decree defined the duties of the 11-department governmental commission¹⁷¹ established to resolve issues pertaining to Jewish assets and property rights: "a) to verify whether Jews have satisfied their obligation to report assets as prescribed in decree 1600/1944 ME; b) to locate unreported assets; c) to provide for the custody, handling and possible exploitation of Jewish assets; d) to liquidate impounded commercial and industrial commodities and equipment according to guidelines to be established by the competent ministry to ensure uninterrupted production and provision of essentials; e) to discharge all further duties placed under its authority via legal statute or ministerial decree." The government commissioner was, furthermore, provided with the authority to employ force in the execution of his duties. Revenue derived from the liquidation of expropriated assets was to be deposited in a "Ministry of Finance Jewish Assets, Budapest" account, number 157,880, at the Royal Hungarian Postal Savings Bank.¹⁷²

Reményi-Schneller could not, nevertheless, have been satisfied with the establishment of the new commission, since it precluded the realization of his plan to organize a supreme, supra-ministerial agency to deal with the issue of Jewish assets: as a rule, the commissioner was invested with the power to act only upon such matters as had been placed under his authority by a competent minister. In other words, Reményi-Schneller's proposal for a comprehensive redistribution of powers was not on the table. The opposition of certain ministries to initiatives emanating from the Ministry of Finance ultimately produced the feeble compromise of a new governmental commission with severely circumscribed authority.¹⁷³ The Turvölgyi bureau began to function in earnest during the sec-

ond half of August, though documentary evidence indicates that it became truly active only in September and October. However, even during these months this bureau possessed no real authority, ministerial agencies, local administrative offices and, following the Arrow Cross seizure of power in October 1944, party organizations serving as the source of all genuine decision-making regarding Jewish assets. Reményi-Schneller, who retained his post as Minister of Finance during the Arrow Cross era, dismissed Turvölgyi at the end of November, conferring upon him a nominal promotion to the rank of State Secretary.¹⁷⁴ The governmental commission was placed under the control of the Ministry of the Interior Department XI, which was headed by Árpád Toldy, former gendarme Colonel and Prefect of Fejér county. Toldy thus assumed the authority of the government commissioner, an added prerogative which the departmental director exploited to its fullest when, in March 1945, he had part of the freight from the Gold Train unloaded into trucks and fled to the West with the booty.

Another ad hoc government agency established to deal with Jewish affairs struggled with the same lack of authority as did the Turvölgyi bureau. This commission, whose official name was the Government Commissioner's Office for the Registration and Preservation of the Confiscated Works of Art of the Jews, was headed by the painter Dénes Csányi and began operating in May 1944. Csányi's duty was to locate Jewish-owned works of art, provide for their appraisal and storage, and to make recommendations regarding their permanent disposition. The government gave broad interpretation to the term "work of art," including under that definition Jewish-owned mineral and palaeontological collections as well.¹⁷⁵ On paper, Csányi's status differed from that of Turvölgyi in that he was vested with extensive formal powers to carry out his duties—in theory, all government authorities were obliged to cooperate with the commission. However, this cooperation was non-existent in practice: the Csányi bureau struggled with an incessant lack of staff and money; local administrative agencies routinely undermined its operations; it held no sway over the army or local German authorities; and the government itself did nothing to assist the essentially powerless Csányi in the discharge of his office.

The fact that the significant Jewish wealth had also whetted the appetites of the Nazis greatly impeded the Hungarian government in its attempt to expropriate Jewish property. Germany, which had gradually forced Hungary into a position of economic dependence in the years pre-

ceding the war, further tightened its grip over the Hungarian economy following the occupation. According to various sources, Germany's debt to Hungary had already attained a total of between 1 and 2 billion pengő (between USD 2 and 4 billion at present value) by October 1944. Following the occupation, the Reich's demands upon the Hungarian economy increased greatly, particularly in its requisitions of oil, wheat, raw materials, and foodstuffs.¹⁷⁶ The Hungarian government was also compelled to cover expenses related to the German occupation and increased arms consignments, which, according to a June 2 agreement, amounted to 200 million pengő (USD 40 million) per month.¹⁷⁷ The Hungarian government also had to supply food for the German occupational force, whose consumption corresponded directly to the decrease in food deliveries to Hungary's Jewish population: the nearly 800 thousand Jews living in the country in 1944 would have consumed between 100 and 150 thousand tons of grain that year, just slightly more than did the occupying Wehrmacht troops, whose provision of meat was far greater than that of the Jews. One might consider the Hungarian government's deportation of Jews to have furnished it with provisions necessary to feed the Germans.¹⁷⁸

The 1944 Hungarian national budget allocated 2 billion pengő (400 billion USD at face value) to finance the German occupation. At the same time the Germans attempted to curb Hungarian inflation for an obvious reason: they wanted to avert a collapse of the Hungarian economy, which would imperil the collaborating government's increasing material support for Nazi military operations. Expropriation of Jewish assets naturally formed an integral part of the German scheme to plunder Hungary of its national wealth. One should note that two German historians, Götz Aly and Christian Gerlach, who have done joint work on the subject, state unambiguously that, in accordance with orders received from Hitler via the Nazi central command, German authorities elected to entrust Hungarians with the Aryanization of Jewish assets in order to enhance the collaborationist tendencies already present within Hungarian society. The Führer stated cynically that "If the population in Hungary helped us in our efforts against the Jews, perhaps we could donate part of the accumulated Jewish wealth to them, thereby prompting the cooperation of the local population."¹⁷⁹ According to Aly and Gerlach, the Hungarian government, as those in many other countries, attempted to reestablish its fiscal stability, which had begun to falter under the weight of German demands, through Aryanization of Jewish assets, while the Germans were content with the indirect benefit and did not take part actively in

the looting, although such cases occurred, these phenomena were marginal.¹⁸⁰

We are not in accord with either part of this assessment. It is true that the Hungarian government intended to use the Jewish wealth for the above listed objectives. Due to the causes mentioned above, however, it was unable to achieve these goals. The government was successful in looting, but almost completely failed in the organized redistribution of the Jewish property. The governmental efforts to collect and re-inject the enormous Jewish wealth into the Hungarian economy ended in an almost total failure. Thus, looting the Hungarian Jews could not help the economic troubles of the country, although this was the plan of the state. No doubt that had the government had enough time, capable apparatus, the budget would have absorbed the income from the liquidation of the Jewish property. Then it would have become stabile and would have been able to satisfy the German demand to a greater extent. It is also indisputable that looting was performed by Hungarian authorities, the Germans did not intervene into the process. Nevertheless the *declared* German staying away from the process of the plundering was not the result of an elaborated conception, but the wise consideration of the given circumstances. The Germans dealt with Hungary not as an occupied nation, but as a nominal ally, the twin bugaboos that had devoured Jewish assets in Western Europe—the Devisenschutzkommando and the Einsatzstab Rosenberg—never reared their heads in Hungary. It is true that Hitler once ordered that the Aryanization of Hungary be left to Hungarians; it is also true that he once ordered that Stalingrad be held at all costs. Both of his commands were executed in precisely the same manner. First, the Hungarians did not need German permission or authority to rob the Jews of their wealth—as we have already seen, they had already been planning to do so for decades. Second, one must take into consideration the flip-side of Hitler's directive: what would have happened had he commanded that not so much as a single Jewish wedding ring be allowed to remain in Hungarian hands? By whom and how could this order have been enforced? A significant portion of the German occupational force was quickly sent on to the front; left in Hungary were a 600-man *Einsatzgruppe* (special forces unit) under the command of Befehlshaber der Sicherheitspolizei und des SD (BdS- Senior Commander of the Security Police and the Security Service) Hans Geschke, 32 Gestapo agents under the command of Major Trenker and Eichmann's entourage of perhaps 20 people (if one excludes his secretaries and chauffeurs). Such a contingent

would have been too small to administer the removal of Jews from a single town, let alone oversee the complete expropriation of 800 thousand people. The Germans simply lacked the personnel necessary to carry out such an unworkable plan. Moreover, excessive German intervention would have subverted the collaborationist tendencies prevalent in Hungarian society; indeed, it would have elicited severe indignation. Last but not least, the German authors seem to have forgotten about the schedule of the events: Veessenmayer, the German Plenipotentiary in Budapest was informed about the cited words of Hitler only on May 17, but the basic Hungarian decree for plundering (1600/1944) came into force exactly one month earlier, and as we have seen, often even the Hungarian ministries had no idea how the looting orders (and practically which of them) were executed in local levels, so what could have the Germans started to do on the third day of the mass deportations to realize this Führerbefehl? Naturally, almost nothing.

In spite of the fact that the Germans did not intervene into the details of the state-organized looting, they seized every opportunity to divest Jews of their property. The German invaders often looted Jewish wealth simply in order to enhance their own immediate creature comforts. This motive was obviously at the root of many of the exactions imposed by Eichmann's *Sondereinsatzkommando* (SEK).¹⁸¹ Eichmann and his staff bombarded the Jewish Central Council with a continual series of requisitions. The head of the council, Samu Stern, remembered it this way: "They demanded everything under the sun, from champagne glasses and typewriters to brooms, mops, and buckets—sometimes from me directly and always with guns at their sides. One time, when they were in the process of furnishing a suite for a high-ranking German officer, they asked specifically for Watteau paintings."¹⁸² Another time the SEK demanded 300 mattresses and 600 blankets. SS Hauptsturmführer (Captain) of the Eichmannkommando Dieter Wisliceny once demanded materials necessary to construct a flower bed and a rabbit hutch in one of his many apartments.¹⁸³ When another SS Captain, a SEK-member as well, screamed for a piano, terrified Jewish leaders came up with no fewer than eight pianos in no time flat, to which the Captain remarked mockingly: "Meine Herren, ich will ja kein Klaviergeschäft eröffnen, ich will nur Klavier spielen" (But gentlemen, I don't want to open a piano store, I just want to play the piano).¹⁸⁴ Csánky's assets commission remarked with consternation that Germans had been pilfering valuable works of art from the Jewish villas in which they had been quartered.¹⁸⁵ Both before

and after the establishment of the Budapest ghetto, the SEK extorted tens of millions of pengő from various Jewish individuals and communities. At the end of March, Eichmann's men used blackmail to extort 11 million pengő from the Central Jewish Council. In smaller towns the levy was less—2 million pengő in Újvidék and Ungvár,¹⁸⁶ 500 thousand in Kolozsvár and 100 thousand in Székesfehérvár.¹⁸⁷ Sometimes representatives of the SEK took valuables collected from Jews living in the ghetto and had them loaded into trucks and taken away right under the noses of Hungarian gendarmes.¹⁸⁸ Eichmann's men, hand-in-hand with the Hungarian Gestapo, hunted down Budapest's richest Jews, who often wound up at the Kistarcsa internment camp. There, or at the jail constructed in the Pest Regional Courthouse, they forced many rich Jews to surrender huge sums of pengő and hard currency or valuable information in exchange for guarantees of survival.¹⁸⁹ It is unclear how much personal profit SEK agents gained from these transactions and how much of the extorted wealth eventually found its way through official channels to the Economic and Administrative Main Office of the SS (*Wirtschafts-verwaltungshauptamt der SS*, or *SS-WVHA*). The most blatant and large-scale example of the Nazis' organized expropriation of Jewish wealth was the seizure of the Weiss Manfréd industrial complex. This gambit, which provoked a government crisis, will be discussed in greater detail in Part II in connection with its mastermind, Himmler's personal emissary, SS *Obersturmbannführer* (Lieutenant Colonel) Kurt Becher. As we will see, the Weiss Manfréd-business was not the only example of Becher's looting the Hungarian Jewish wealth. In the course of his activity in Budapest he seized Jewish assets representing 1–3 million dollars value.

Though the German Minister to Budapest, Veessenmayer, may not have actually solicited Prime Minister Sztójay for wedding rings taken from Jewish women, it was a general phenomenon throughout the country for German soldiers to break into and ransack Jewish homes, just as they had looted those Jewish villas in which Hungarian authorities had quartered them.¹⁹⁰ Becher received several million dollars' worth of jewels and hard currency from the Zionists in exchange for the free passage of a trainload of refugees, while between the fall of 1944 and the spring he, together with several of his colleagues, had 55 thousand freight cars containing 600–700 thousand tons of valuables—approximately one-quarter of which had been taken from Jews—dispatched to the Reich in the framework of the so-called evacuation of Hungary. In spite of their limited opportunities, the Germans gained direct access to a disproportion-

ately large amount of expropriated Jewish assets. Several thousands German soldiers, military police and Gestapo left the country loaded down with Jewish property gained through organized or individual, illegal or commanded theft, the value of which amounted to several tens of millions of dollars at current rate. The organized plunder of Jews, as we will see later, was the source of much greater conflict between the Hungarian and German authorities than was the deportation and extermination of a half million human beings. All these phenomena might be deemed anything but insignificant or marginal.

10. LOFTY GOALS AND DISILLUSIONING REALITY

With the arrival of the German army in the spring of 1944, the long-held aim of Hungarian race-protectionists was at last within reach: total expropriation of Jewish wealth and use thereof in promotion of the “national interest.” Confiscation of Jewish property provided the Hungarian government with a wide array of policy options. The state treasury trumpeted three main objectives to be attained through allocation of this huge source of revenue: 1) to cover increasing military expenditures; 2) to relieve social discontent; 3) to broaden the government’s base-of-support through increased rations and disbursement of basic provisions. Minister of the Interior Andor Jaross did not attempt to veil the government’s intentions when he made the following statement during the inauguration ceremony of the new Prefect of Nagyvárad in May: “I underscore the fact that that all assets, wealth, and valuables, which Jewish greed was able to amass during the liberal era, no longer belongs to them—it is now the property of the Hungarian nation.”¹⁹¹ In a speech delivered at a government ceremony, Minister of Finance Lajos Reményi-Schneller also deemed Jewish assets to be “national property.”¹⁹² This notion was not unique to the Hungarians: every collaborating government administration in Europe considered Jewish wealth to have become part of the national domain. Total Magyarization of Jewish property nonetheless lacked the legal background.

In May 1944 Minister of Justice István Antal introduced a draft bill in the spirit of “increasing the national wealth.” The intent of this proposed legislation was to “eliminate the Jewish presence in Hungarian public and economic life.”¹⁹³ The bill would have enabled the administration to “utilize Jewish assets to cover military expenditures and revital-

ize the Hungarian economy through the long-term government bonds," any remaining sources "would then be used to provide displaced Jews with a minimal subsistence and to finance their eventual expatriation." In other words, according to the bill Jews would receive compensation for their expropriated assets in the form of government subsidization of their confinement to the ghetto and subsequent deportation. Thus, the bill was designed to implement the conception of the self-financing genocide. Through inclusion of the following item in this legislation, Antal was attempting to establish the legal foundation for the collaborating government's deportation of Hungarian Jews: "The ministry is furthermore authorized to conclude agreements with foreign states in order to expedite the expatriation of Jews and to take any other necessary measures to accomplish this objective." Antal's bill was not finally adopted into law. Apparently neither the expropriation nor the deportation of Jews required any precise legal foundation.

A draft decree introduced at the end of July went even further: "All Jewish assets ... will be considered ceded to the Hungarian state with the promulgating of this decree."¹⁹⁴ In theory, the decree offered government compensation to the divested Jews in the form of an annual repayment amounting to 3 percent of the estimated value of all expropriated property and wealth. (At this rate, it would have taken 33 years for the expropriated to obtain total restitution for their arbitrarily appraised assets.) In practice, this draft guaranteed that Jews would not receive a penny in compensation: "Jews residing abroad are not eligible to receive compensation during the period of their absence. Moreover, debts to Jews who have left the country for good are officially and permanently nullified." In light of the fact that the Sztójay government which advanced this draft was working feverishly to ensure that all Hungarian citizens of declared Jewish ancestry would be compelled to "leave the country for good" and that approximately 300 thousand Jews had already disappeared without a trace; this nominal program of compensation entailed almost no risks for the incumbent régime.

At the beginning of July pressure from abroad and the success of the Normandy Invasion prevented Regent Horthy from deporting the last surviving Jewish community in Hungary—that of Budapest. Indeed, that August, after Rumania's switch to the allied side caused the German front to collapse, the Regent, then in his late 70s, dismissed Prime Minister Sztójay and his collaborating cabinet. The primary mission of the succeeding government, headed by General Géza Lakatos, was to organize

Hungary's withdrawal from the war; as a result the physical persecution of Jews subsided, though the government program aimed at their economic eradication continued unabated. This represented the Turvölgyi commission's most active period, though the new government proved unsympathetic to the notion of a comprehensive legal settlement of the seized Jewish property. On October 15, following the Hungarian high command's obstruction of the Lakatos government capitulation attempt, the Germans decided that they were left with no other choice but to bring the previously spurned Arrow Cross to power. After Horthy was forced to resign, the offices of the Prime Minister and the Regent were consolidated in order to elevate the Arrow Cross leader, Ferenc Szálasi, to the rank of "National Leader," that is, Führer, of Hungary. The Arrow Cross resolved the issue of Jewish assets with a single stroke. Prime Minister's decree 3840/1944 titled "on Jewish Assets," issued on November 3, 1944, stipulated the following: "The Hungarian state herewith assumes possession of all Jewish property and assets, which it considers to form an integral part of the cumulative wealth of the nation. These assets are to be used to cover expenses related to the conduct of military operations, the repair of war damage, and, furthermore, the execution of legislation pertaining to the Jews."¹⁹⁵ Nominally exempted from this mandate for complete expropriation were the following: devotional objects, basic personal effects (clothing, furniture, tableware, etc.), medication, two weeks' worth of food and fuel, 300 pengős in cash as well as wedding and engagement rings. In truth, everything was considered free prey. The Szálasi régime did not even bother to concoct a legal pretense to exempt the state from restitution of Jews for their expropriated assets: "The present decree establishes the legal foundation for the passage of separate legislation regarding compensation for Jewish property appropriated by the state." Naturally no such legislation was ever enacted.

Exploitation of Jewish assets proved to be a much quicker process than that of its formal nationalization. The collaborating government wished to utilize expropriated Jewish assets to pay for German requisitions and increasing military expenditures, as well as to replenish the depleted national treasury, which, in turn, would have slowed the pace of inflation.

It would be a mistake to imagine that the operations of the new government—or the Ministry of the Interior—were entirely taken up in their operations against the Jews. Many steps were taken in the Ministry of the Interior in accordance with Imrédy's party's and Endre's own program:

the initiation of a logical organization of public administration, with sweeping changes of personnel, simplification of the administration, and implemented numerous other, mostly progressive modernizing measures. In the summer of 1944, the government planned to use nationalized Jewish assets to fund a series of social reforms, which included lowering of the retirement age, the extension of social-security benefits to the impoverished rural population, the institution of obligatory disability and retirement insurance, and a nearly threefold increase of the minimum old-age pension.

In the mere few months of its operation, under Jaross the Ministry managed to make significant steps in the program's implementation. The former minister recalls thus before the People's Tribunal: "In my Division of Public Welfare, I worked out plans for a reform of the social security system, although I only had the chance to implement a part of these. My plan was to set up a general social security system—that is, to integrate the existing system, which treated each level of public service separately, into one unified framework. In order to simplify this task and remedy current problems immediately, I reduced the eligibility age from 65 to 60, introduced the obligatory coverage of household employees, increased coverage levels and expanded eligibility, and all without increasing the burden on workers or employees, but by drawing on the so-called Expectation Fund. I did it in this way because it did not seem practical to me, in the middle of the war, for us to undertake new calculations. This means that I made these moves independent of all calculations, despite the opposition of the government's financial wing. All this meant that those receiving social security received 200–300 percent more than they had previously."¹⁹⁶ With this, Jaross managed to realize a long-held goal and at the same time resolve a serious source of tension that had existed for six years: the Czechoslovak social security systems in the Upper Province and in Carpatho-Ruthenia had been much more generous than the Hungarian one that replaced it in 1938–39, meaning that the local inhabitants suffered financially from the territorial revisions. In another of his decrees (239.900/1944), Jaross modified the miners' retirement benefit system to their advantage.¹⁹⁷ Reducing the general retirement age to 60 (and to 55 for miners), the integration of domestic servants, agricultural and forest workers (previously completely excluded from the system) through the newly-instated "People's Security," the introduction of compulsory retirement, disability, and health insurance for household workers, and the increase in pensions from 140 to 480 pengő were all steps

aimed at raising the standard of living for those strata of society that had previously been the most vulnerable.¹⁹⁸ With these measures, the Sztójay-administration, and within it the Ministry of the Interior under Jaross, which played a key role in social reforms, strove to bring Hungary's social policy up to date, as it was then many years behind, and also to compensate for the inflation and supply shortages growing as a result of wartime scarcities. But all this could not be funded by the budget of 1944, which also made no allowances for supplying the originally-planned tens of thousands of German troops, whose numbers grew to hundreds of thousand by the fall. So it is no accident that the Reményi-Schneller Ministry of Finance strongly opposed these plans, though without success. But how, then, could these enormous expenditures be financed? The MMP (Hungarian Renewal Party), and indeed almost the entire Hungarian political elite, had the same answer: the Aryanization of Jewish assets would have constituted the increase used to improve the standard of living for the Christian majority, in addition to the exclusion of the 800,000 Jews from all public supplies would allow an improvement in standards for those in the remaining 95 percent. Before the People's Tribunal, Jaross could assert quite rightly that this plan had considerable support in society: "Speaking generally people thought primarily about material goods, so too in regard to the Jewish Question, they were interested in what became of Jewish property, houses, businesses, industrial sites and the rest."¹⁹⁹

But in many cases, all this never became more than a plan. While it is true that the Hungarian administration confiscated Jewish property during ghettoization and deportations, nonetheless the unparalleled speed with which the Jews were expelled led to an organizational chaos accompanied by individual theft and destruction that prevented the state from deriving the income envisioned in the plans. Jaross was not too surprised by this turn of affairs, and he tried to explain and play down the phenomenon of robbing the innocent before the People's Tribunal: "... unfortunately this material greed and money-lust aimed at taking property from the more well-to-do is a very common phenomenon in all revolutions, and there is no need to associate it necessarily with the question of Jews and non-Jews. In the course of revolutionary events, some segments of society have often sought social leveling by simply shooting the well-to-do."²⁰⁰

While the looting continued quickly and effectively, any redistribution of the stolen assets took place only on a very low level, and wasteful-

ly at that. Furthermore, there were only a couple of months available to carry out the whole process, since the Red Army entered Hungarian territory in the fall of 1944. A few months later national assets were reduced by 40 percent, and the inflation that followed broke all records in the history of economics. The great majority of social reforms were actually scarcely to be felt, and only briefly improved the standard of living of low-earning groups at the bottom of society, though at the same time, those steps that were to have been financed by robbing Jewish assets nonetheless significantly increased society's support for the collaborating regime.

Virtually overnight, the long-importuned changing-of-positions was also carried out. A succession of governmental decrees issued that spring had excluded nearly 800 thousand Jews from various professions: thenceforth they were no longer permitted to work as civil servants, actors, journalists, lawyers, etc. The *numerus nullus* brought this process to a completion, producing hundreds of thousands of job vacancies and putting hundreds of millions of pengős in wages and salaries in Christian hands. The third primary objective of the Sztójay government had been to effect a controlled reallocation of certain expropriated Jewish assets among various segments of Hungarian society against moderate compensation. The pronouncements of several ministers reveal that this government made no attempt whatsoever to conceal its intentions with regard to Jewish property. On several occasions Minister of the Interior Jaross declared that "This wealth ... is not to be considered a mere gift, it is not to reward national merits with. The entire nation must reap benefit from this wealth, it must be incorporated into the circulatory system of the national economy so that every honest, hard-working Hungarian gets his fair share of it."²⁰¹ Indeed it was of crucial importance to both the state budget and the national economy that the reallocation of Jewish assets not take the form of public handouts. In order to protect the market from runaway inflation, the collaborating government strictly limited free disbursement of Jewish wealth to the occasional distribution of clothing and provisions necessary to meet the minimal subsistence needs of the population.²⁰² What follows will demonstrate how few of these plans ever came to fruition.

According to the government formula, Jewish lands were to be divided among the following organizations: the Országos Nép- és Család-védelmi Alap (ONCSA—National People and Family Protection Fund), the coalition of régime-friendly veterans, the Vitézi Szék (Heroes' Post), and the Országos Földhitelintézet (National Land Credit Institute).²⁰³ The

Ministry of Defense had already claimed Jewish vehicles in order to compensate for the military's low level of mechanization.²⁰⁴ In early June the Ministry of the Interior produced a draft decree calling for the redistribution of expropriated Jewish real estate based on similar social criteria. Jaross wanted to transfer profits from the sale of larger apartment buildings to social-security coffers, while he intended to use smaller houses and apartments directly toward social services (kindergarten, day-nursery, community centers, residences for doctors and civil servants). He concurred with the government's opposition to gratuitous reallocation, proposing that all recipients of expropriated Jewish wealth be required to pay an established fee to public cooperatives engaged in implementation of the redistribution program.²⁰⁵ In reality compensation was, of course, never paid. The actual process of reallocation was, in fact, remarkably chaotic. A prime ministerial decree nevertheless defined those who would be given special consideration in the course of reallocation—civil servants, people who had been bombed out of their homes, war invalids, and front-line soldiers—would be eligible for priority treatment. The government's redistribution of real estate expropriated from Jews did not progress as smoothly as planned due to the fact that demand for such property far outstripped supply. The Chief Constable of the Battonya district reported that various institutions demanded priority treatment for their constituent members—the army for its soldiers, the Ministry of the Interior for the gendarmerie, and various social organizations for their functionaries—at a time when demand from the rest of the population had also intensified greatly.²⁰⁶

During the summer, State Secretary Endre László orchestrated the relocation of Budapest Jews to nearly 2000 designated "star houses."²⁰⁷ This left approximately 28,000 Jewish apartments vacant. Officials in Budapest issued promises of a forthcoming decree from the government in a vain attempt to contain the deluge of claimants which had overwhelmed the Apartment Office of the capital. On June 29 the newspaper *Új Magyarország* published the following report: "The public siege of the Municipal Apartment Office located inside the Budapest City Hall has resulted in scenes of genuine mass hysteria, which in times as these represents a highly undesirable circumstance. City officials have repeatedly warned the public not to storm the Apartment Office, since until further notice, apartment-apportionments are halted."²⁰⁸ In July the government was compelled to designate an ad hoc housing commissioner, who also painted a grim picture of the growing crisis surrounding the reallocation

of expropriated living quarters: "It is simply unacceptable that some people have managed to get a hold of three, even four apartments through personal connections or plain and simple greed, while others who have been bombed out of their houses still have not yet found a place to live."²⁰⁹

Deportation made even more Jewish homes available for redistribution in the provinces. In some places, such as Munkács, Sátoraljaújhely and Máramarossziget, dwellings left vacant by deported Jews accounted for up to 25–30 percent of the city's total housing capacity. The government granted only temporary leases to people who moved into expropriated Jewish living quarters. The state determined the amount of rent that the new, Gentile tenants were to deposit directly in the aforementioned central Jewish bank account. Any furniture found abandoned in vacated Jewish houses and apartments was to be placed in locked storage until further official notice. Instances of squatting without the consent of the government, which had taken place several times following the establishment of Jewish ghettos in the provinces,²¹⁰ became a mass phenomenon following Hungary's complete military and administrative collapse from November 1944. Local Arrow Cross officials and German soldiers were naturally at the head of the pack in seizing Jewish property.²¹¹

According to a police report on the mood of the general public produced in June, many people had set their sights on Jewish-owned businesses as well: "small retailers and craftsmen are especially excited about the new Jewish decrees because they feel that the liquidation or seizure of the Jews' commercial and industrial interests might well improve their own economic circumstances."²¹² These expectations turned out to be completely realistic: the number of Jewish businesses to be forcibly closed reached 18 thousand in Budapest and the several thousands in the provinces. The opportunity for a rationalization of the commercial supply system also clearly presented itself: using the German model as its guide, the government liquidated a part of the confiscated businesses and began the process of appointing trustees to run the rest. Government officials conducted spontaneous auctions of perishable goods to the Jews' Christian competitors or offered them to local social and public health institutions at a nominal cost. On August 18 Commissioner Turvölgyi issued a decree regarding the remaining Jewish assets, stipulating that stockpiles, furnishings and equipment of condemned businesses be put up for sale.²¹³ Curiously, in lieu of a process of open bidding, Turvölgyi urged interested parties to negotiate the prices to be paid for expropriat-

ed assets among themselves; in this way local trade associations and state finance authorities would be left to determine the prices jointly. Only Gentile craftsmen and merchants operating within the same field of trade as the divested Jew were permitted to pay for confiscated property, in cash, which was to be deposited directly into the central Jewish bank account. Turvölgyi was given the prerogative to exempt those in the most legitimate need of assistance (war orphans and invalids as well as people bombed out of their homes) from the obligation of payment in cash. Textiles were excluded from the list of items to be auctioned off because they were considered war essentials, and therefore subject to immediate delivery to factories producing war material as designated by the Minister of Industry. Government plans called for the auction of all expropriated property to be completed by September 30, 1944, which represented a race in time with the approaching Soviets. Though officials did manage to pick up the pace of liquidation of Jewish assets by that fall, they did not even come close to meeting the established deadline.²¹⁴

Heaps of clothing and shoes, much larger even than those to be found at Auschwitz, accumulated in municipal warehouses throughout Hungary. Some of the clothing had already been given away or sold at a nominal price during or immediately following the deportations.²¹⁵ On May 2, 1944, Political State Secretary of the Ministry of the Interior László Baky decreed that clothing was to be distributed among the poorest workers and tradesmen at an established price of 25–40 pengős for a suit of clothing and 15–20 pengős for a pair of shoes. Shoes and clothing were given to the injured and displaced free of charge. In the end, this redistribution program was carried out only partially. On August 21 Turvölgyi issued a decree consolidating the system by which clothing and linen were being redistributed: officials in larger cities were to establish collection sites for the deposit of clothing and shoes left behind by displaced Jews.²¹⁶ This decree classified clothing and undergarments into 49 separate categories, each with its own fixed price. These articles of clothing were then redistributed among the Ministries of Transport, Industry, Agriculture, Finance, Defense, and Interior. Only a meager percentage was reserved for war invalids and the destitute.²¹⁷ This decree did not apply to those communities in which fewer than 50 Jews had resided; in these places county officials were given the discretion to redistribute any abandoned clothing among the local populace in any way they saw fit, though at the stipulated cost. In all instances revenue from the sale of Jewish clothing was to be deposited in account number 157,880. Natu-

rally various factions began to fight over the loot—a fight in which the Ministries of Defense and Interior eventually predominated.²¹⁸ At the end of October, the Government Commissioner instructed authorities in areas most susceptible to imminent Soviet occupation to redistribute confiscated clothing among the local population without compensation. The prompt arrival of Soviet troops prevented any official oversight of this redistribution.²¹⁹

Furniture was left to similar fate: in principle it was to be rented to displaced Christians, temporarily and at a fixed price. In reality, most of it was simply stolen.²²⁰ Local financial administrators in Nyíregyháza discovered a unique approach to the redistribution of Jewish assets: they arranged the city's inhabitants into eight social classifications deemed eligible for "Jewish assets purchase coupons," which they were to pick up between September 4 and 9. The coupons represented a social subsidy of sorts, enabling the holder to purchase various articles at the scheduled sales.²²¹

Decades of political propaganda had set the stage for the frenzy of looting and destruction that took place in the provinces during the spring and summer of 1944; however, the fact that the legislative mechanism simply could not keep up with the feverish pace of the deportations was the factor that ensured that the process of liquidating Jewish assets and possessions would be a tumultuous one. The aforementioned secret decree of April 7 calling for the ghettoization of Jews did not include officials from the Ministry of Finance in the handling of confiscated Jewish property, stipulating instead that the civil service, "in tandem with pertinent elements of the police and gendarmerie, put the Jews' shops and domiciles under lock and key and immediately affix each with the official government warrant." The keys were then to be delivered to the superintendent of the county collection sites in envelopes bearing the name of the proprietor, while local prefects were to take custody of all perishable goods and live animals. The order further specified that evicted Jews "may take with them the clothes on them, at most two changes of underwear, fourteen days' worth of provisions, and a maximum of 50 kilos of luggage." It also required agents of the police and gendarmerie to remit all cash, stocks, bonds, gold, and jewels to local administrative officials, who were supposed to have these items sent on to the nearest branch of the Hungarian National Bank.²²² The following verbal postscript was appended to the order during the committee meetings at which it was conceived: "The principle guiding this decree is that all Jewish assets

should become the property of the state, a part of the cumulative wealth of the nation, and that we must make sure that it remains available for this purpose.”²²³

Prime Minister's decree 1610/1944 of April 28 issuing the ghettoization of Jews also stipulated that state-appointed trustees be given custody of their “abandoned” shops and enterprises. At the same time, Ministry of the Interior officials ordered the police and gendarmerie in Carpatho-Ruthenia to lock up all Jewish businesses and residences. Moreover, once the process of ghettoization and deportation had begun, Hungarian and German soldiers began to move into Jewish houses and apartments at their own free will, while the looting of abandoned property became commonplace among the general public. The state financial administration network (the web of the so-called financial directorates), which was the only official apparatus possessing the personnel and organizational structure capable of performing an orderly and efficient confiscation of Jewish property and assets, was assigned the sole duty of collecting registration forms of the Jewish assets. The Council of Ministers decided only at the beginning of May to commit oversight of Jewish property and assets confiscated in the course of de-Jewification to the Board of Customs and Excise. On May 15 State Secretary of the Ministry of the Interior László Endre instructed all agencies subordinate to his ministry to report all Jewish property in their custody to the nearest financial directorate headquarters and to initiate the process of delivering them to the appropriate authorities.²²⁴ On the same day the Minister of Finance issued two, characteristically contradictory decrees regarding the remittance of Jewish property and assets.²²⁵ According to the first decree, inventories were to be taken, then the confiscated items sorted by category and placed in the appropriate warehouse; any cash and stocks were to be deposited temporarily in secured accounts opened under the name of the person from whom these had been expropriated, then transferred at a later date to the central Jewish bank account or, in the case of stocks, to the Center of Financial Institutions. Theoretically, objects of extreme value were to be transported to Budapest as soon as possible, while money of unknown origin was to be deposited in a separate postal savings bank, to account number 157,875, “Deposit Account for Cash of Unknown Individuals, Budapest.” Reményi-Schneller's second decree of that day reflected the confusion that permeated the entire process of confiscation and liquidation of Jewish assets: in order to prevent state financial agencies from becoming overwhelmed with the burden of this task,

he instructed officials under his jurisdiction to take delivery of only the most valuable effects, leaving the rest under the supervision of local administrative authorities, who were also charged with the task of preparing the inventories. Financial officials were to merely conduct spot checks over the entire procedure.²²⁶ It is not difficult to identify the impetus behind the flurry of decrees that emanated from the Ministries of Finance and Interior on May 15: this was the date on which the mass deportation of Jews began. These two ministries, as those most responsible for this undertaking, were aware that the some 200-thousand policemen, gendarmes, civil servants, and state financial officials involved nationwide in the operation would manage the seized Jewish property in accordance with contradictory and/or inadequate decrees.

On May 20 Endre once again pressed local administrators for their cooperation; as a result, by the end of the month it looked as if central-government authorities had finally caught up with the ghettoization of Jews that had been taking place on the ground for several weeks. An efficient division of labor had apparently emerged: the police and gendarmerie took responsibility for maintaining law and order, while state financial administrators supervised the delivery and handling of Jewish assets and property. Law enforcement organizations provided assistance to the financial administrators when the latter proved unable to contend with the growing influx of expropriated Jewish wealth. Makeshift local arrangements compensated for any shortcomings in the system: in some places, such as Hódmezővásárhely and Budapest, school teachers were engaged in the process of registering and categorizing Jewish assets;²²⁷ in others, such as Kaposvár, Jews were forced to take inventory of their own confiscated possessions.²²⁸ In reality, during the months of April and May, city and village officials, local police officers, and gendarmes did as they pleased with confiscated Jewish property. This patchwork system, which sometimes varied from deportation zone to deportation zone, county to county, city to city and even village to village, often produced a *fait accompli*, which subsequent legislation simply could not standardize. Progress toward the ultimate objective nevertheless continued unabated: Jews were stigmatized, rounded up, segregated, deported and fleeced of their possessions. However, the chaotic and inconsistent manner in which this was accomplished made it unlikely that confiscated Jewish assets and property could retain its previous degree of economic and financial potential.

During the ghettoization of Jews in the countryside, the Jewish

inhabitants of villages and small towns were transported to the nearest larger town, where Jews had, for the most part, already been ghettoized. These groups of Jews were then sent on to the urban ghetto or packed into separate collection sites, such as brick factories, warehouses, and other industrial facilities. The Hungarian police and gendarmerie typically allowed Jews from 5 to 15 minutes to pack any permitted belongings before deportation. For most Hungarian Jews this was the last time they had ever seen their homes, their furniture, their land, and their animals. The overwhelming majority of the Gentile population watched on passively as Hungarian Jews were evicted from their homes and deported, only a very slim minority actually joined ranks with the merciless authorities who carried out these deportations. However, all signs of passivity instantly dissipated when it came to the question of Jewish wealth and property. The process of expropriation, reallocation, sale, and liquidation of these assets had begun.²²⁹ Thousands upon thousands of people laid claim to Jewish property throughout the country. There was a virtual attack for houses, apartments, shops, goods, and possessions.²³⁰ Corruption flourished, while looting and theft became everyday occurrences.²³¹ The aforementioned Hungarian writer, Sándor Márai, wrote “the Hungarian middle class became wildly intoxicated over the Jewish question.”²³² This assessment was only partially correct: it was not the Jewish question that had besotted the middle class and most of Hungarian society as a whole; it was the smell of money—the sheer desire to acquire at any cost that served as the true intoxicants fueling the debauchery. Hundreds of thousands of people viewed the deportations as a free and easy way of improving their standard of living; they simply had to break into the homes of deported Jews and take away their belongings under the guise of providing for their “safekeeping.” What follows are some examples of this phenomenon.

Just prior to the beginning of the deportations, “an inhabitant of Felsőbudak [northern Transylvania] appeared at the house of a Jewish villager, Rudolf Grünfeld, and took away one of his bicycles, saying that he wouldn’t have any further need for it because the Jews were going to be taken away and the bike would become the property of the state.”²³³ Two residents of Balassagyarmat, István Medvegy and Gyula Farkas, were arrested because they had got drunk and begun to loot confiscated Jewish property.²³⁴ Local inhabitants often “visited” abandoned Jewish goods and possessions at the Nógrád county Seat: Sándor Madarász, Chief Commissioner of the Balassagyarmat Financial Directorate, reported no fewer

than 200 incidents, implicating some 800 local residents, involving theft of expropriated Jewish possessions.²³⁵ The Chief Financial Commissioner for the village of Csorna impounded Jewish property at a separate location “due to the frequent burglaries in the ghetto.”²³⁶ The “freebooting” in Beregszász was of such magnitude that even the Germans took note of it. In a memorandum to his superiors in Berlin dated July 27, 1944, Veessenmayer reported that, according to information obtained from the Hungarian police, of the 800 Jewish domiciles under lock and key in Beregszász, the local population had broken into and ransacked 80 to 100 real estates.²³⁷ By the time officials arrived to take inventory of confiscated items at vacated Jewish residences in the city of Munkács, they often found only bare rooms—Gentile neighbors having already removed all furniture, decor, linen, and all other personal effects.²³⁸

Many people took possession of property belonging to their persecuted Jewish friends, acquaintances, and neighbors in the name of “safe-keeping.” For some this was simply a pretext for gaining personal profit; for others it reflected a true desire to help these unfortunate people. The means by which people managed to obtain Jewish property was of no interest to central and local government officials, whose main concern was to prevent the populace from hoarding away what they considered to be part of the “collective national wealth.” At the beginning of April, before the ghettoization of Jews had even begun, the head of the VII. Public Safety Department in the Ministry of the Interior issued a strictly confidential order to police and state administrative officials calling for them to intensify their oversight and control over the nationalization of Jewish property and assets because “Jewish individuals have been turning great quantities of gold, gilded objects, jewels, and other valuables over ... to Christians for safekeeping or liquidation.”²³⁹ This order came to nothing. In the weeks prior to the beginning of the deportations, the press had been publicizing instances of concealment of Jewish property, both benevolent and malevolent in nature, and other such anti-government acts committed on the behalf of Hungarian Christians. On April 30, the newspaper *Magyarság* maintained “The police continue to devote much time and energy to ... the investigation of attempts to conceal Jewish property and the apprehension of individuals engaging in the hiding of Jews or the sheltering of their property and possessions.”

Through its publicity of arrests relating to the activities outlined above and its decidedly cynical moral predications, the far right-wing press (indeed since the banning of the moderate and left-wing press all

Hungarian newspapers and periodicals were to the far-right in political orientation) hoped to convince the Hungarian public that concealment of Jewish property would be met with severe punishment in all instances. The *Új Magyarország* took its due part in the propagation of this information. An article in the April 29, 1944, issue of this newspaper threatened those who concealed Jewish assets and possessions with retaliation beyond those prescribed in Hungarian criminal law: "The government has at its disposal means beyond punishment, detention, and confiscation of concealed property. In such instances state revenue authorities will initiate stringent procedures against the guilty party, regarding all growth in concealed property to be part of the previous year's income, upon which further wage and income taxes shall be levied. In addition, the guilty party shall be charged with tax evasion."²⁴⁰ The government did not publish a decree or summons containing this message. However, on May 16 Minister of the Interior Jaross issued a stern warning to Hungary's non-Jewish inhabitants: "There is good reason to suspect that many members of the Christian community have procured and concealed Jewish valuables, partially in view of securing personal material gain and partially out of misguided humanitarian considerations."²⁴¹ Jaross's decree went on to promulgate a one-week grace period in which any Christian in possession of such property would be allowed to report it to the authorities without fear of reprisals (fines and imprisonment), "whereas those who defy this mandate will be subject to punishment of greater vigor and severity following the expiration of this established interval." Local authorities often took similar steps.²⁴²

These efforts were, for the most part, stillborn—just as those directed against Christian front men ("Strómans") in nominal possession of Jewish property had been. Reports drawn up by László Ferenczy, the gendarme Lieutenant Colonel charged with carrying out ghettoization and deportation on the field, attest to many such instances.²⁴³ In a report dispatched from the city of Kolozsvár on May 6, Ferenczy informed his superiors that "Many Christian families have already answered the summons to remit all illicitly obtained Jewish valuables held in their possession. We are pursuing investigation of many further suspected cases of this offense."²⁴⁴ According to a gendarme memorandum dated May 30, 1944, officers nationwide had reported that "a great number of people from the most diverse segments of society have ventured upon the acquisition and concealment of Jewish property" and that, moreover, "it is likely that many more such cases shall come to the attention of law enforcement

officials in the future.”²⁴⁵ Authorities in Nagyvárad prosecuted more than 2000 of the city’s non-Jewish inhabitants on charges related to the concealment of Jewish property.²⁴⁶ In testimony given after the war, Péter Hain, head of the State Security Surveillance (this organ was often referred to as the “Hungarian Gestapo”), affirmed that his office received 50 to 60 reports of concealed Jewish possessions daily.²⁴⁷ The rapid degeneration in public morality was not at all surprising. During the spring and summer of 1944, people living in both Budapest and the provinces could see for themselves how their very own government fleeced the Jews and how the members of precisely those administrative and law-enforcement agencies charged with maintaining order had taken the lead in this organized plunder.

In a communiqué attached to the secret ghettoization decree of April 7, Endre provided executive agencies with the following instructions: “Special attention must be taken to ensure that Jews are not able to conceal cash, jewels, and other valuables. For this reason thorough body-searches must be conducted not only during the course of their initial eviction from private residences, but also at the time of their subsequent removal from the temporary collection centers.”²⁴⁸ This element of the decree was implemented with great pleasure.

During ghettoization, whether spontaneously ousted from their homes in a matter of minutes or granted a modicum of advanced notification, Jews were subjected to meticulous, and, at times, brutal, body-searches. Authorities exempted nobody from this ordeal, which was imposed immediately prior to transfer to the collection camps and once again before deportation. These body-searches were both painful and humiliating, extending to body orifices, the anus and, if the subject was female, the vagina. Dissatisfied with the proficiency of Kolozsvár city administrators in their body-searches of local Jewish women, Ferenczy engaged obstetricians and nurses for this purpose.²⁴⁹ This arrangement was employed elsewhere in the country as well, though the involvement of “qualified” personnel in this excruciating practice—as one of the survivors of Auschwitz recalled as their most humiliating experience—did not necessarily render it more hygienic or tolerable. For example, the ten women employed to conduct body-searches in Székesfehérvár used no more than two pairs of rubber gloves between them during their probing of several hundred Jewish women. In the city of Pécs, in southern Hungary “midwives and their apprentices completed the examination using unhygienic and downright painful and dangerous methods. They would

pull their hands out of a woman's anus or menstruating sexual organ and put them directly into another woman's anus or sexual organ without bothering to wash. Sometimes they mangled young girls. What made this all the worse was that police officers, if they weren't actually standing there, often peeked in."²⁵⁰ In Nagyvárad, fresh gendarme pupils under the command of Lieutenant Colonel Jenő Péterffy were assigned the task of conducting house- and body-searches because the city did not have enough police officers at its disposal to complete the task. Ferenczy expressed his satisfaction with this situation: "[In this way] ... the pupils are able to gain some practical experience in the meticulous and exceedingly delicate exercise of conducting house- and body-searches."²⁵¹ The gendarmerie carried out this "exceedingly delicate" task with extreme cruelty. When gendarmes in the village of Beresova encountered Jews in public without their stars, "they rounded them up and gave them a terrible beating, especially the men. They went into Jewish homes and robbed and looted—they took everything we owned."²⁵² A woman originating from another Carpatho-Ruthenian village, who was 17 years old in 1944, recounted this memory from the month-long interval between the German occupation and ghettoization: "Hungarian gendarmes came into the houses demanding money and other personal effects. Those who refused to confess where they had hidden their valuables were beaten half dead."²⁵³ However, the brutality of the gendarmerie was not always "profit-oriented." Following the war a Jew from Bárháza reported that one day some gendarmes "demanded that I remove my shoes and stockings. One of them then beat [the soles of my feet] bloody with an iron saw." B.L. never learned of any particular motive behind the beating.²⁵⁴

The gendarmerie showed no greater mercy when it came to ensuring that Jews did not take too much "national wealth" into the ghetto after being evicted from their homes. A survivor of both the Birkenau and the Buchenwald concentration camp recounted that during the ghettoization of Jews in his native village of Szerednye (Carpatho-Ruthenia), gendarmes packed them into the local school building, where they waited as their houses were ransacked: "They found money that my father had hidden in a quilt. They came back to the school and gave my poor dad a real wallop for this—they kicked him all over the place."²⁵⁵ During the ghettoization of the village of Soroksár "the gendarme officers rummaged through our baggage and took whatever money, valuables, and documents they wanted, doling out occasional beatings the whole time."²⁵⁶ Some Jews scheduled to be hauled off to the ghetto in the city of Ungvár

were first taken to the police station where “they stripped everyone naked and searched them over. Those found to be carrying any valuable objects or money were robbed of everything and then beaten up for good measure.”²⁵⁷ In a report to the government commissioner for the Carpatho-Ruthenian region, the Ungvár Chief of Police reported with indignation that “during strip-searches of both men and women we find money and valuables hidden in the most incredible places.”²⁵⁸ A bluntly worded directive distributed to gendarme posts throughout the vicinity of Nyíregyháza and Mátészalka offered the following instruction: “Before taking Jews into custody they are to be advised to turn over their money, jewels and other valuables, etc. They should be informed that since they won’t ever be coming back anyway, if they have hidden anything to go get it and turn it over.”²⁵⁹

The scramble for Jewish possessions did not subside in the ghettos and collection camps, in fact it was in these places that it began in earnest. Here agents of the investigative subdivision of the gendarmerie arrived on the scene to locate concealed Jewish valuables pursuant to an April 21 imperative from the Ministry of the Interior.²⁶⁰ Rooms and cellars given the astoundingly cynical collective nickname of “the mint” served as torture chambers, where gendarmes inflicted physical abuse upon large numbers of presumably affluent Jews in order to get them to divulge the whereabouts of their allegedly unreported valuables. In the village of Seregélyes, gendarmes under the command of Master Sergeant Balázs beat Jews with rubber hoses, women on the bare breasts.²⁶¹ In Nagyvárad an especially large number of Jews died during interrogation.²⁶² There Jews were stripped and beaten with hoses; women had electric wires inserted into their uteruses, often before the eyes of their family members.²⁶³ Dr. Osváth, a member of the local Jewish Council, was one such person who was forced to witness the torture of a family member. The trauma of the spectacle later drove him to suicide. The practice of torturing the “suspect” in front of their loved ones was often exercised in the Kolozsvár “mint,” where children were forced to observe the torment of their parents. Here investigators specialized in methods of torture centering on the testicles. In Kolozsvár many Jews went insane as a result of these agonizing ordeals.²⁶⁴ The cruelty of the gendarmes working the Salgótarján “mint” did not lag behind that of their counterparts in Munkács, Kolozsvár, Ungvár and other places. The 50-man team operating inside the city’s public elementary school also preyed upon the soles of feet, shattered bones, and nearly beat four pregnant women to death. They

took a local lawyer and simply tossed him out a second-story window. In all 16 people died in just a few days of interrogation.²⁶⁵ According to the memoirs of Mrs. Oszkár Weisz, in the collection camp of Nyírjespuszta, “an interrogator appeared at the house of Chief Rabbi Deutsch, sat down comfortably, spread his legs and, displaying his swollen hand, said ‘Wow am I ever exhausted, I was trouncing people all night long.’”²⁶⁶ The interrogation team operating in Marosvásárhely under the command of Captains Kónya and Pintér had a Jewish informant working under its auspices: a local jeweler, József Lax, apprised the gendarmerie of precisely which people among those to be banished to the ghetto possessed the most significant amount of wealth and assets.²⁶⁷

It was not only these investigators who attempted to extort Jews of as many of their possessions as possible: rank-and-file gendarmes charged with keeping watch over the ghetto often took part in the looting as well. The ransacking of Jewish living quarters in search of jewels was part of the local gendarmerie’s daily routine in the Ungvár ghetto. This exercise was routinely accompanied by beatings. “My father was severely beaten as well, even the women were drubbed,” recalled a woman from Carpatho-Ruthenia in 1945.²⁶⁸ Gendarmes patrolling the Munkács ghetto “looted one house or another almost every single night. If they found anything of value, they simply took it, leaving at most ten pengős behind them.”²⁶⁹ In many cases the impulse triggering gendarme brutality against Jews had nothing to do with materialistic gain, it was a manifestation of sheer sadism. The so-called Black Saturday of Munkács set a precedent for this kind of sadistic cruelty: on that day gendarmes took the religious Orthodox Jews into their local synagogue, forced them to demolish the interior. After that they beat up the Jews, some of whom were then taken out and shot.²⁷⁰

This pitiless scramble for Jewish valuables remained constant throughout the deportation process (roundup-collection camp-herding into the railway cars). During the liquidation of the ghetto, all Jews were subjected to thorough body-searches before being loaded into railway wagons for deportation. This final stage of the process was attended by the accustomed degree of barbarity. Gendarmes in the Fejér county village of Seregélyes used files and pliers to wrench reluctant wedding rings off the hands of Jewish men and women, heedless of the fact that they also cut across an occasional finger.²⁷¹ A Holocaust survivor who passed through the Monor collection camp recounted the following incident: “On July 1 they herded us out to the train station and loaded us into rail-

way cars. But first the gendarmes inspected and searched everybody, both men and women, in the most brutal way possible. They brought decrepit old people in their 70s and 80s out of the pensioners' home. They grabbed an old engineer, who had been crippled in the other war [the First World War], took him out of his wheelchair and tossed him into the wagon. They called a doctor out to attend to a woman who had gone into labor, but he never showed up. So they just threw her into the train as well, where she gave birth there among 80 other people, crammed in so tightly that they practically had to stand on one leg."²⁷²

Not even amid the appalling living conditions of the collection camps were Jews spared the inhumanity of avaricious gendarmes. The trauma connected with Mrs. Jenő Weisz's experiences at the Budakalász collection site was still evident a year and a half later, when she asserted that "The Budakalász brick factory may have been worse even than Auschwitz."²⁷³ Gendarmes in feverish pursuit of concealed valuables fleeced the Jews once again just prior to deportation; but this did not spell and end to the "preservation of national wealth," body-searches continued right up to the moment they were loaded into the railway cars. For example, during the deportation of Jews from the city of Nagyvárad, gendarmes warned that they would shoot 10 Jews every time they found somebody with money hidden on them.²⁷⁴ Similar scenes took place during the deportation of Jews from the town of Huszt. A survivor of this episode reported the following: "The gendarmes constantly tried to get anything they could from us before we boarded the trains. They would pick a person out of the crowd at random and scream that if he didn't hand over all his valuables they would shoot him. If the gendarmes didn't happen to find anything among those waiting to get on a particular wagon, they would go ahead and shoot him anyway."²⁷⁵ Jews awaiting deportation in Kolozsvár got a lesson in patriotism to boot: between beatings gendarmes informed them that they would have to relinquish a portion of their luggage because "the Germans shouldn't get everything—something has to be left for us Hungarians too."²⁷⁶

Not even after the trains had departed did the gendarmes give up on the possibility of finding the Jews' remaining hidden valuables. Gendarmes accompanied the transport to the border city of Kassa, there the Germans took command of the train. A woman deported from the city of Ungvár recounted that "the gendarmes badgered me continually for money or jewels, issuing threats and shooting off their guns the whole time."²⁷⁷ The gendarmes typically demanded 100–300 pengős from the

hapless Jews in exchange for a slice of bread or a bucket of water, laughing in their faces after they took the money. Jews en route to the Birkenau death camp bid farewell to their homeland at Kassa. A tailor from the village of Técső gave the following account of this passage: "After being turned over to the SS in Kassa, they informed us that we had better hand over all our remaining money and valuables because anybody found to have anything on them would be shot."

In terms of thievery and cruelty, police officers and state administrators were often just as culpable as the gendarmes. For example, the Assistant Notary for the Kalotaszeg region broke into the house of Mrs. Izrael Reich and, when he did not succeed in raping the elderly woman, began to rummage around for her jewels. Upon failing to find anything of value, he snatched up several pieces of linen and went away.²⁷⁸ A state financial clerk in the town of Nagykároly was found to be in possession of a set of fine silverware that had belonged to some local Jews. In Gyergyószentmiklós an assistant police sergeant was arrested for concealment of Jewish valuables and two army officers for breaking into a locked and officially designated Jewish house.²⁷⁹ A tax official in Kolozsvár named Lajos Nagy made off with an impounded gold fountain pen and a briefcase full of jewels. In Beszterce auxiliary police officer János Bányai appropriated a portion of the 5000 pengős had had collected from local Jews for his personal use.²⁸⁰ Inhabitants of Erdőbénye reported that they had regularly witnessed Notary Dezső Takács, leaving the homes of deported Jews packed down with looted valuables.²⁸¹ Several other examples of such incidents could be listed endlessly.

The law enforcement and administrative agencies presiding over the process of ghettoization and deportation fleeced Jews several times over within a period of a few weeks. Several tens of thousands of people from throughout the country took part in this paroxysm of robbery. The official statistics, which do not take into account the large portion of the booty that disappeared without a trace, are staggering. According to Péter Hain, authorities in Nagyvárad confiscated valuables worth some 41 million pengős.²⁸² The aforementioned gendarme brief of May 30 referred to significant sums of money, though it did not even take into account valuables collected from deported Jews in certain regions of the country. A total of 1.5 million pengős in cash and 4 million pengős worth of jewels were confiscated from the 1580 Jews at the Barcs collection camp. Gendarmes confiscated 1.5 million pengős in cash and an estimated 10 million pengős in valuables and possessions from the total of 5275 Jews who

had been removed to ghettos in the municipalities of Baja, Szabadka, and Szeged. Ghettoization of 2675 Jews from the city of Szombathely and its environs resulted in the seizure of 1.7 million pengő in cash and undetermined millions of pengő in jewels. This report did not even venture to approximate the net worth of cash and valuables confiscated from the 195,000 Jews residing in the Kassa gendarme district.²⁸³ This sum likely reached into the tens of millions in spite of the fact that the poorest Hungarian Jews came from this district, particularly Carpatho-Ruthenia. Authorities in Hódmezővásárhely claimed that the 1 million pengő in cash and jewels which they had confiscated from the nearly 800 Jews deported from that town should be held as criminal evidence before being passed on to state financial agencies.²⁸⁴ Cash confiscated from provincial Jews in the course of ghettoization and deportation reached into the hundreds of millions of pengő even if one does not include money and bank accounts seized pursuant to decree number 1600/1944 ME.

Officially Eichmann and his staff served only as advisors during the process of de-Jewification. Small detachments of these specialists were present throughout the country, though the zeal with which the Hungarians performed the task of ghettoization and deportation rendered their intervention largely unnecessary. While this issue was the source of local discord between Hungarians and Germans, Eichmann and Endre made a concerted effort to work together constructively. The conduct of the agencies and organizations that carried out the removal of Hungarian Jews to ghettos and concentration camps was brutal even in comparison with those operating in other countries. The Germans did not fail to notice this fact. In Nagyvárad, German soldiers filmed the Hungarian gendarmes beating Jews as they were packed into railway cars. These films were later shown at German embassies in neutral countries in order to prove that Hungarian authorities were to be held responsible for the savagery that had attended the deportations.²⁸⁵ Naturally German SS troops performing sentry duty at the collection camps did not themselves refrain from thievery and cruelty. However, after the war Eichmann insisted hypocritically that the barbarity of the Hungarians had been alien to the high-minded Germans: "There were, however, individual cases where my men were shocked by the inhumanity of the Hungarian police [that is *police* and *gendarmerie*—Eichmann did not distinguish between the two]. Wisliceny reported to me that the gendarmes were driving the Jews into the cars like cattle to a slaughterhouse..."²⁸⁶ This spectacle evidentially made a deep impression on Wisliceny, who alleged-

ly made the following comment to Rabbi Fülöp Freudiger, the Jewish Council's Orthodox representative: "I guess the Hungarians really are the descendants of the Huns; without them we never would have managed."²⁸⁷ The brutality and extortion that had taken place in the provinces did not remain secret: several hundred thousand Hungarians had witnessed the misdeeds to which the Jews had been subjected. A steady flow of news regarding the deportations reached Church and political officials, who voiced their disapproval to Horthy on several occasions (by the end of June, messages of protest had arrived from the Pope, the king of Sweden and American President Roosevelt). The deportation of Hungarian Jews continued despite the fact that Horthy instructed Prime Minister Sztójay to dismiss the Ministry of the Interior secretaries (Endre and Baky) at the beginning of June (the dismissals did not take place) and ordered a halt to the deportations in early July. Later that month the Regent finally put his foot down, ordering an armored battalion into Budapest to chase off a detachment of gendarmes that had arrived in the capital city to conduct more deportations. Since he had received false information about a supposed *coup d'état* by Baky's gendarmerie, ordering the gendarme units to leave Budapest was rather a step to defend his own position than a rescue operation in the favor of the Jews.

In a communiqué sent to Hitler on July 17, 1944, Horthy specifically cited "the brutal and inhumane manner" in which the deportations had been carried out as one of the motives behind decision to stop them, but nowhere in the message did the Regent mention the sworn accounts that had made their way to his desk from Slovak Jews (Vrba and Wetzler) who had escaped from Auschwitz.²⁸⁸ However, it was of no use to complain to Hitler: it was the Horthy-appointed Minister of the Interior, not the Führer, who was in command of the Hungarian royal gendarmerie.

Official assessments regarding the results of the divestment and deportation of Hungarian Jews varied greatly. Even before the start of deportations, Minister of Industry Lajos Szász identified the primary concern of his government: "An exhaustive and permanent resolution of the Jewish question will not and cannot be allowed to damage the Hungarian economy. The government considers issues relating to productivity and the continuity of productivity to be of greater importance than resolution of the Jewish question."²⁸⁹ The deportation of Jews nonetheless crippled the economy in certain areas of the country. Jaross wrote the following to the Minister of Trade and Transportation: "The closing of Jewish shops in Carpatho-Ruthenia has caused serious disruption to the provision of

basic consumer goods, being that a significant portion of the merchants operating in the region are Jews.”²⁹⁰ At an April 26 meeting of the Center of Financial Institutions Board of Directors, one board member stated that as a result of the ghettoization of Jews in the Kassa gendarme district “the economy [in the region] has ground to a halt.”²⁹¹ In spite of this, in the few short months between April and July, hundreds of thousands of Christians experienced an increase in the amount of property and valuables in their possession.

II. SELF-FINANCING GENOCIDE I: FROM DEATH CAMPS TO BUDGET, OR: THE REICH, OCCUPIED EUROPE, AND OPERATION REINHARD

Historians have paid relatively little attention to the connection between expropriated Jewish property and German war expenditures. Although we do not have exact data concerning the aggregate wealth of the European Jewry under German occupation, the estimates presented above suggest we are talking about approximately 100–200 billion dollars at present value (that is 10–20 billion dollars or 20–25 billion marks during the war years). As a ground for comparison, it is worth looking at some data related to the German national budget at the time. The annual tax revenue of Germany fluctuated between 25 and 44.3 billion marks in the period 1939–1945.²⁹² The total German stock of deposits increased from 29 billion to 52 billion marks between 1939 and 1941, and reached 116.7 billion marks by 1944.²⁹³ The German national budget amounted to 52.2 billion, 78 billion, 101.9 billion, 128.6 billion and 153 billion marks in 1939–40, 1940–41, 1941–42, 1942–43 and 1943–44 respectively, and while 62 percent of the budget was spent to cover the expenditures of the armed forces in 1939–40, by 1943–44 this ratio increased to 84 percent.²⁹⁴ Parallel with the increase in expenses, the Germans, in order to maintain budgetary balance, resorted increasingly to the exploitation of the occupied countries and those states politically and economically dependent on Germany. The total of foreign contributions amounted to 15–17 billion marks in 1941, whereas by 1944 this amount had quadrupled. At the same time the increase of the budget was less than twofold, which means that the extent of economic exploitation and the ratio of “foreign contribution” doubled in three years. According to another calculation based on the 1943–44 German budget of 160 billion, tax and duty revenue could be counted on to bring in 37 billion marks, and foreign resources con-

tributed 34.5 billion marks; but for lack of other sources of revenue the remaining 90 billion marks could only be covered from loans.²⁹⁵ To put it differently: the property of Jews living under German occupation approximately equaled in value the tax revenue of a single war year, or one—maybe two—thirds of the average stock of deposits credit balance of the period between 1939 and 1944 (67.5 billion marks), and altogether 3.65–7.3 percent of the total budgetary expenditures of Germany between 1939 and 1945 (684.7 billion marks). This means that while the wholesale expropriation of Jewish wealth did not have a decisive role in financing the war, nevertheless the Jewish property was not an insignificant factor, even if the Germans had to share it with the authorities and the local population of the countries now cleansed of Jews, and with that part of the population which participated *en masse* and with enthusiasm in the process of Aryanization. The Jews were not killed so that their assets could be acquired (by the time they arrived at the camps, the deportees had already been robbed of practically almost everything they owned); however, once their expulsion and extermination was decided upon, great emphasis was laid on the laying hands on their property as well. For conquering powers to finance their occupation by looting occupied territories was not uncommon in previous wars and conquests; to this extent the German policy of expropriation cannot be described as unique except in its dimensions. However, the concept of a self-financing genocide—in other words, the attempt to force a social or ethnic group to directly or indirectly pay the expenses of its own physical annihilation—was a historical novelty, both in nature and extent.

The first elements of this process are already apparent in the 1930's; however, in this period the Jews financed their emigration through the different funds. As early as 1933 the German government and the Jewish organizations concluded an agreement that enhanced simultaneously the emigration supported by the Nazis and the mobilization of the emigrants' property while sparing the German currency reserves and providing German products with foreign markets. In terms of the so-called *Ha'avara*, Jews emigrating to Palestine were allowed to take a limited amount of cash from Germany, and any amounts exceeding this limit had to be transferred to a separate account opened at the Reichsbank. The intermediate banks used these deposits to finance German exports, so they functioned as a kind of export-intensifying credit account: if a German cargo arrived in Palestine, the goods were paid for from this account, and the customer settled the bill later, paying to the

bank instead of the company fulfilling the order. The significance of the agreement is shown by the fact that by August 1933 the payments transferred to one of the separate accounts amounted to 3 million marks.²⁹⁶ The Vienna Zentralstelle für jüdische Auswanderung set up by Adolf Eichmann in 1938 operated on a similar basis, although in this case Eichmann sold the foreign currency necessary for emigration to wealthy Jews at arbitrarily established exchange rates and used the extra profit realized thereby to finance the emigration of indigent Jews. Eichmann's strategy was successful in driving 106,672 Austrian Jews into exile in less than a year—so much so, that in 1939 similar emigration centers were established in Berlin and Prague as well.²⁹⁷ Growing greed led to a radicalization of the plundering: on November 12, 1938, Goering simply imposed a 1 billion mark fine (around 4 billion dollars at present value) on the “enemy” German and Austrian Jewry.²⁹⁸ As in the case of the revenues realized by the Aryanizations, this amount was transferred directly into the German budget.

At a later stage, Jewish assets were often utilized for maintaining and operating the apparatuses which persecuted the Jews—a practice that became widespread not only in the Reich but in the occupied territories as well. In September 1941 further restrictions came into effect regarding Jewish property in occupied France: the revenue and capital shares as well as the stocks of Jewish company leaders had to be transferred to a so-called Deposit and Consignment Office, which automatically transferred ten percent of this amount to the General Commissariat for Jewish Questions (CGQJ—Commissariat Général aux Questions Juives). The Commissariat managed the supervision, nationalization, and administration of Jewish property, while the French police was busy arresting the owners, who after being handed over to the Germans soon started their journey towards the extermination camps.²⁹⁹ The revenues originating from the acquisitions realized by the CGQJ were transferred to the Deposit and Consignment Office, so that a circle of self-financing plundering and genocide began: the CGQJ robbed the Jews of all their property and regained 10 percent of the amounts, from which it financed its own operations. It shall come as no surprise that the source of the 500 million francs spent by the Deposit and Consignment Office on its own operations was also seized Jewish property. The process became complete when in December 1941 the Germans withdrew 1 billion francs from the Deposit and Consignment Office under the pretext of a collective sanction imposed on the Jews.

In occupied Holland Jewish persons were permitted to withdraw a maximum of 1000 guilders per month from their bank accounts seized in 1941. The rest remained in the LiRo Bank set up by the Germans and usurping the name of Lippmann-Rosenthal, the most trusted Jewish bank in the Netherlands. The maximum amount of withdrawal was reduced to 250 guilders. The small purchase prices established during the Aryanizations were to have been paid to the owners in monthly installments within 25 years. Self-financing genocide was not unknown in the Netherlands either: it was not only the expenses of the bank that were covered from the 26–55 million guilders transferred to the LiRo Bank's account, this money also served as the financial basis of the operations of the *Hausraterfassungsstelle* in charge of evacuating Jewish apartments, and also made available the sums spent on maintaining and enlarging Westerbork and Vught, the largest internment camps; as well, Jewish money was paid to Dutch informers who sought out and reported on Jews.³⁰⁰

The economic rationality of genocide reached its ultimate development with the so-called Operation Reinhard, a process which involved the robbing and liquidation of the millions of Jews deported to extermination camps. It was named after RSHA Chief Reinhard Heydrich, assassinated in Prague in the summer of 1942.

Not only the ultimate extermination of this huge mass of people, but also the intermediate stages of putting them to work temporarily, exploiting their labor, and plundering their property amounted to a complex organizational task. For this reason the decentralized economic authorities of the SS was integrated on February 1, 1942 into a newly established Economic-Administrative Main Office of the SS (SS-WVHA).³⁰¹ The organizing hand behind this was SS-Obergruppenführer Oswald Pohl, who became the chief of the Office and remained so until the end of the war. The SS-WVHA had five Office Groups (*Amtsgruppe*), termed A, B, C, D, and W. Group D, the Inspectorate of the Concentration Camps (*Amtsgruppe D—Inspektion der Konzentrationslager*) was responsible for setting to work the Jews deported to the camps and for regulating the plundering of those who had been deported and murdered.³⁰²

Originally, "Operation Reinhard" was the cover name for the extermination of those Jews living within the Polish Generalgouvernement. The operation was launched in the extermination camps of Sobibor, Treblinka, and Belzec in the spring and summer of 1942. In accordance with Himmler's orders it was not directed by Office Group D, now integrated into the SS-WVHA: rather, the Austrian-born SS-Gruppenführer Odilo

Globocnik, SS and Police Leader of Lublin, was put in charge of it, since the operation of the extermination centers was different from that of “traditional” concentration camps: the Jews arriving here were not selected on the basis of their capability to work. In each of the three extermination camps there were 20–35 SS members and 80–120 Ukrainian guards on duty, while 700–1,000 Jews (Hofjuden und Platzjuden) were kept alive to ensure the smooth operation of the gassings and the everyday life of the camp (cutting off the victims’ hair, the carrying, burying and later burning the bodies, the cleaning up, and so on). So in the three camps 300 Ukrainian guards under the orders of 80–100 SS soldiers and officers kept watch over 2,500–3,000 Jewish workers; in spite of the low number of staff 1.4 million Jews were exterminated in little over a year.³⁰³ (The mechanism was almost the same in the Chelmno death camp which operated with gas vans, but this particular camp belonged to a different organizational structure.)

To maintain his control, Globocnik reorganized the Lublin garrison’s administrative office (Standortverwaltung Lublin), which was subordinate to the SS-WVHA, into a special unit under the name of “Sonderstab G” (Special Section G, where “G” refers to Globocnik himself). Special Section G was headed by SS-Sturm-bannführer Wipperfurth; it was he who organized the selection, packing, and storing of the enormous quantity of valuables accumulated. Globocnik for a long time resisted the efforts of the higher economic-administrative SS office in Cracow to supervise his handling of the aggregate property of the Jews killed in the extermination camps. Eventually it turned directly to Pohl, the head of the SS-WVHA, who sent a flying auditing squad to Wipperfurth’s office in June 1943. Of course, the efforts of the squad under the command of SS-Obersturmbannführer Vogt left them none the wiser about the thefts committed subsequently by Globocnik and his staff. Vogt found the local handling of the Jewish valuables placed in the storehouses to be satisfactory, but decided that the section’s procedures did not comply with the German financial administration’s rules of supervision, as due to the lack of transparency the state organs were unable to audit the property. Finally, a Solomonic decision was brought down: Vogt with Pohl’s approval informed the Reich Audit Court about the action, and in exchange the audit court agreed to that henceforth supervisions were to be conducted by the SS-WVHA.³⁰⁴ This—at least in theory—put an end to Globocnik’s violations.³⁰⁵

The responsibility of Special Section G was to organize the selection and packing of the assorted valuables, and the transportation of these to

their destination as determined by the SS-WVHA.³⁰⁶ In an official report Wipperf, the head of the Special Section G, established the total value of the loot obtained in the camps under the supervision of Lublin to be 178,745,960.59 marks.³⁰⁷

All valuables gathered within the framework of the Operation Reinhard were channeled to pre-arranged destinations.³⁰⁸ The distribution of the various forms of expropriated property was coordinated on the basis of an order issued on September 26, 1942 by Pohl's deputy, SS-Brigadeführer (Brigadier General) August Frank of the SS-WVHA. Both Special Section G in Lublin and the Division IV-Administration (Abteilung IV-Verwaltung) in charge of the economic affairs of the Auschwitz camp received the following instructions from Frank:³⁰⁹

- Reichsmarks were to be deposited in SS-WVHA's account No. 158/1488 at the Deutsche Reichsbank (DRB) in Berlin-Schöneberg;
- Foreign currencies, precious metals, jewelry, precious stones, pearls, gold pieces and gold from teeth were to be forwarded to the DRB through the SS-WVHA;
- Watches, fountain pens, manual and electronic razors, pocket torches, and wallets were to be either distributed or sold at official sales establishments, primarily to members of Waffen-SS groups fighting in the front line;
- Men's clothes, shoes, and underwear were given to the guards of the extermination camps or to civilian German settlers free of charge or at a very low price;
- Women's and children's clothes, shoes, and underwear were distributed among the German settlers; however, pure silk underwear remained the property of the Ministry of Economics;
- Bed-linen, bedspreads, cutlery, and other consumer goods were to be handed over to the SS garrison troops and civilian German settlers;
- Glasses were to be made available for use by the SS-WVHA Medical Office (D/III), precious furs were to be turned over to the SS-WVHA, while less valuable furs were to be given to the Waffen-SS factories;
- Estimated values for accounting were to be determined by SS-WVHA for the supplies and sales.

Frank closed his letter with a further three short orders: "There is no need for insignificant valuations that would require time and people... Special care shall be given to the removal of the Jewish badges from clothes and coats delivered. Furthermore, each piece of clothing delivered shall be examined with the greatest attention for potential valuables

hidden or sewn inside.”³¹⁰ However, such were not the only slips overlooked. Some offices complained to the camp headquarters of clothes they received with bullet holes or blood stains.

The foreign currency, shares, and jewelry collected were handed over to one of Frank's subordinates, Hauptsturmführer Bruno Melmer, the head of the Treasury Main Department A/II/3. of the SS-WVHA (Amtskasse Hauptabteilung),³¹¹ whom Pohl appointed to be his personal special envoy with regard to the administration of the assets of the exterminated Jews.³¹²

Since the SS was not able itself to utilize the valuables in this form (bank notes, coins, jewelry, pearls, precious and semi-precious stones, gold bars, and so on),³¹³ Himmler turned to Walter Funk, President of the Reichsbank, in the summer of 1942 to resolve this issue.³¹⁴ Shortly afterwards Himmler also negotiated with Minister of Finance Schwerig von Krosigk, who—as after the 1943 auditing—fulfilled the requests of the Reichsführer-SS and Pohl concerning their independence.³¹⁵ SS-WVHA Chief Pohl and Vice-president of the Reichsbank Emil Puhl organized a special conference together with their colleagues regarding the special regulations for the treatment of valuables.³¹⁶ Eventually, SS-Hauptsturmführer Melmer and Albert Thoms, a leader of the Precious Metal Division of the Reichsbank, worked out the details of supply and receipt. The future of the valuables (jewelry, precious metals, and different types of foreign currency) seized from Jews killed in the camps and received by Section A/II/3. of the SS-WVHA was to be determined by the Reichsbank and the SS-WVHA in accordance with the following guidelines.

Incoming valuables were to be placed in closed containers. The containers were then to be put on lorries to be taken to the Reichsbank under the escort of Melmer and a troop of SS soldiers, where Thoms and a group of his colleagues would take over delivery of the goods. (Although SS men wore civilian clothes all those involved knew that the valuables came from the SS.)³¹⁷ Melmer received a receipt upon delivery, by which the Reichsbank confirmed that the “enclosed, sealed containers with the contents as stated thereon [had been] duly taken over by the Reichsbank.”³¹⁸ The Reichsbank informed Melmer about the condition of the deposit.³¹⁹ Reichsbank employees (25 to 30 people) opened the delivered containers, sorted their contents, examined their quality or weighed them, and estimated their value; then as a final step, the valuables were placed in new standardized containers and bags as used at the Reichsbank.³²⁰ Afterwards, the different types of valuables were forwarded by the

Reichsbank to different institutions connected to the bank. Coins made of precious metal remained at Thoms's office, the Precious Metal Division. Bonds, securities, shares, and deposit booklets were taken over by the Securities Division. The German Ministry of Finance approved the practice of handling securities taken from the Jews as booty at the Reichsbank "in order to simplify administration."³²¹ At the suggestion of the ministry, securities originating from community assets were transferred to the Prussian State Bank.³²² Gold pieces and teeth were taken to the Preussische Staatsmünze (Prussian State Mint), where they were melted down and the gold then returned to the Reichsbank.³²³ Jewelry was taken over by the Pfandleihanstalt (Pawnshop) in Berlin.³²⁴ The valuables that accumulated in the warehouse of the Reichsbank (wedding rings, bundles of bank notes, and gold from teeth) were seen by Funk, Pohl, Puhl, Thoms and about 30 colleagues of his during and after sorting. The Reichsbank received accurate reports from the authorities mentioned above on the monetary values that accumulated from the total process. By summing the values, the official and final total value of a given supply could be obtained. An amount in Reichsmarks corresponding to the final total value of the supply was transferred via the Reich Main Treasury (Reichshauptkasse) to the "Max Heiliger account," an account specially reserved for this purpose at the Ministry of Finance.³²⁵

"Max Heiliger" is a fictitious name, 'heilig' meaning 'holy' or '(a) saint' in German. Nevertheless, it was through this cynically named account that the Holocaust became a self-financing process in Germany, since the budgetary demands of the SS Main Offices, RSHA and WVHA, which were primarily responsible for organizing and executing the genocide, were funded by the German Reich Main Treasury via the Ministry of Finance in accordance with the recommendations of the Ministry as set forth in the annual state budget. The Ministry of Finance knew the exact amount of the sums transferred to the "Max Heiliger account," so it was able to proceed accordingly when determining the government subsidy to such organizations as the SS, the RSHA, or the SS-WVHA. Thus in practice the SS made good a significant part of its own operation costs, these being financed, even if indirectly, by the massacred Jews through the Max Heiliger account.³²⁶

The Reinhard Funds functioned on a similar basis. The value equivalent of those parts of the Jewish private and community assets transferred by the SS-WVHA under various titles—for example, as the "property of resettled Jews" (Besitz der umgesiedelten Juden) or "acquired Jew-

ish personal property" (die anfallende jüdische Effekten)—appeared in the funds after the sales. It was the SS-WVHA that was authorized to spend the amounts transferred in Reichsmarks to the Reinhard Funds on financing the industrial companies belonging to the SS and on paying for the goods and services delivered by private companies. According to the testimony of Emil Puhl, the Reinhard Funds were established by the Gold Discount Bank upon the order of Reichsbank President Funk and with the approval of Minister of Finance Von Krosigk in order to provide the SS-WVHA with the means to finance the operation of the SS companies which exploited the labor of the KL-Häftlings (concentration camp prisoners).³²⁷ Due to the lack of sources we do not know how much money went through the Reinhard Funds between 1942 and 1945. It is certain, however, that the Reinhard Funds were refilled again and again from the consideration received for the loot the SS-WVHA gathered from Jews in concentration camps and other places. Usually 10–12 million marks—that is 4–5 million dollars—were transferred at one time to the funds that were automatically refilled through the seizure of Jewish private and community properties.³²⁸

In some cases we have exact information about what happened to the sums deposited in the Max Heiliger account and the Reinhard Funds. On June 3, 1943, one of the heads of the SS-WVHA's Office Group "W" (Amtsgruppe "W," for "Wirtschaft"), Dr. Hans Hohberg, notified Department A/II of the SS-WVHA that Pohl and Frank had agreed to the opening of a 30-million-mark credit for the German Economic Enterprises (DWB—Deutsche Wirtschaftsbetriebe G.m.b.H.) established by the SS-WVHA to the debit of the Reinhard Funds. The transaction was concluded by two contracting parties: the Reich and the DWB. In his letter Hohberg drew Melmer's attention to the fact that it had not yet been decided whether the DWB would receive the amount in cash or stocks.³²⁹

The background of the case is that the DWB was given a large order from the state in the framework of the 1943 armament program, but it lacked sufficient capital to implement the order. So the company turned to its founder, the "managing director" who had established and personally directed Office Group "W" of the SS-WVHA, in other words, Pohl himself, the head of the SS-WVHA. Upon receipt of this request, Pohl ordered Frank to contact the Ministry of Finance of the Reich. Minister of Finance Von Krosigk once again fulfilled the SS request and agreed to open a credit for the SS armory, although the original intention was to transfer money to the Reinhard Funds and not to use them as a source of

expenditures. Since the funds whose source was the properties of liquidated Jews contained only 10–12 million marks at the time, Pohl asked for an advance of 18 million marks from the budget to the debit of the Reinhard Funds.³³⁰ Thus with the approval of the Ministry of Finance the SS-WVHA financed the DWB's production activities with money seized by the SS from Jews murdered in the occupied territories and the extermination camps of the Lublin area and Auschwitz-Birkenau. Since the DWB fulfilled state orders (in many cases using the slave labor of the deported Jews), the Reich in practice covered the expenditures of the war by putting the plundered money from one of its pockets into another.

The DWB began its financial transactions immediately after receiving the credit. A couple of days later, on June 7, 1943, Dr. Wenner on behalf of the DWB notified the SS Postal Savings Bank Association that the company would repay the credits it had taken earlier from that institution.³³¹ The SS Postal Savings Bank Association was established in the 1930's upon Himmler's order, its finances to be based on compulsory savings of individual SS members from that time on. The persons serving in the various SS branches (Waffen-SS, Allgemeine-SS, Totenkopf-SS) and offices (in one of the 12 Hauptamts or at the fighting corps) received their monthly salary after the obligatory deductions had been made. The sum accumulated this way was invested into treasury bonds with a 3.5 percent annual yield. Himmler provided the SS members with social allowances from this fund: widows and orphans were granted aid, invalids received a pension, and so on.³³² When SS companies needed money, they could apply for temporary loans from this source. Now that the Ministry of Finance opened a 30-million-mark credit for the SS to the debit of the Reinhard Funds, it was the credits opened by the SS bank—to the debit of a 8-million-mark credit provided by the German Red Cross for the SS in 1939—that the DWB (an SS company itself) first repaid. Thus, the 4-year-old debt towards the Red Cross was recovered from the Jewish assets through the SS Postal Savings Bank Association. The SS used the Red Cross credit for financing the following firms:

- Deutsche Ausrüstungswerke G.m.b.H.—1.5 million RM
 - Deutsche Lebensmittel G.m.b.H.—0.3 million RM
 - Freudenthaler Getränke G.m.b.H.—936,777.19 RM
 - Deutsche Versuchsanstalt für Ernährung und Verpflegung G.m.b.H.—3,590,415.73 RM
 - Porzellan-Manufaktur Allach-München G.m.b.H.—504,086.62 RM
- Apart from this sum (altogether 6,831,279.54 RM) 1 million marks

were directly transferred to the German Red Cross, and in order to round off the value of the transaction to 8 million marks, another 168,720.46 marks were transferred to the DWB's account kept by the Dresdner Bank as loan.³³³

It is not difficult to work out on what the SS-WVHA spent the remaining 22 million marks, in other words, the rest of the credit opened for the DWB. The fate of this money was the same as that of those Jewish properties that were transferred to the Max Heiliger account and the Reinhard Funds earlier and subsequently. Pohl and his colleagues probably used this money among other things to finance the operation of the state-owned SS companies established in Auschwitz, which employed tens of thousands of Jewish forced laborers.³³⁴ Using the amounts withdrawn from the Max Heiliger account and the Reinhard Funds the SS-WVHA and the German war economy could order energy, raw materials, building supplies, and different services—in the Auschwitz area, for instance, from state-owned and private companies which based most of their production on the exploitation of the cheap Jewish labor rented from the SS.³³⁵

Thus the Reichsbank cooperated with a number of state-owned and private financial organizations in selling the property of the murdered Jews. The financial institutions participating in the domestic and foreign transactions usually charged a commission of 3–10 percent for the sale of the different Jewish assets (jewelry, precious metals, bonds, stocks, and so on).³³⁶ The SS spent part of the revenues originating from the selling of Jewish private and community assets directly on guaranteeing the undisturbed implementation of the extermination actions. It cannot be ruled out that the Topf und Söhne company that built and maintained the crematoria and the TESTA (Tesch und Stabenow—Internationale Gesellschaft für Schädlungsbekämpfung mbH) transporting the Zyklon B used for the gassings were paid from this source; moreover, the DAW was commissioned to produce some spare parts of the Birkenau crematoria.³³⁷

Valuables plundered from the Jews killed in the camps were taken over by the Reichsbank and its partner institutions. Since the amount of money in Reichsmarks corresponding to the precisely estimated official value of former Jewish assets was transferred to the Max Heiliger account at the Ministry of Finance, former Jewish assets functioned as a cover for the transferred money. The abducted Jewish assets kept in the warehouses of the Reichsbank and other institutions taking part in the transactions (the Reich Main Treasury, the Berlin Pawnshop, the Prussian State

Mint, the Prussian State Bank, and so on) could not have a real economic effect. The Reich had a huge import demand, the war industry, heavily dependent on imports, would have easily collapsed without certain raw materials, stocks, and products. But the salary of German workers and the pay of front-line fighters could not be covered with dental plates made of gold, diamonds, or shares in foreign companies. Golden earrings could not be exchanged for copper and wolfram in the world market. However, from a certain point of view this is exactly what happened. Nevertheless, to that end Jewish valuables had to be mobilized. Switzerland and the Swiss banking system played an important part in this series of transactions.

During the war the Germans acquired 621 million dollars worth of bank (monetary) gold by looting occupied Europe, most of which they sold.³³⁸ The main partner in these transactions was Switzerland: during the five years between May 1940 and the fall of Berlin in 1945, the Germans transported to Switzerland gold to a value of more than 378 million dollars, mainly through the cooperation of the Swiss National Bank and the Bank of International Settlement.³³⁹ The Swiss bankers knew where the gold was coming from. It must have been obvious that the Nazis acquired it by looting, as according to data published in 1939 Germany had gold to a value of 70 million dollars, and it would have been difficult to come up with six times as much to sell, especially because additionally smaller transports were sent to other neutral countries such as Sweden or Portugal.³⁴⁰ Furthermore, through the property of state-owned and private companies the value of outstanding German claims in Switzerland reached hundreds of millions of dollars. According to an investigation carried out by the Allies in Switzerland, German stakes amounted to 1 billion dollars.³⁴¹ No wonder that by 1942 half of the Swiss optical industry, 40 percent of the heavy industry and 60 percent of ammunition manufacturing worked to execute German orders.³⁴² In 1943 Funk, President of the Reichsbank and German Minister of Economy, said that without the Swiss currency transfers the Reich would cease to be economically operable in two months.³⁴³ The Swiss bankers had been aware of the realities of the Holocaust for years; they knew that—at the same time as trading stolen gold looted from banks of the occupied countries—the Germans were selling them gold bars with forged hallmarks which had been melted from the gold teeth and wedding rings of murdered people.³⁴⁴ And until the very end the Nazis continued to purchase

goods from Switzerland or to pay other countries for the raw materials necessary to the ever-growing demands of the German war industry with the Swiss francs received for the traded gold. Indeed, this postponed the end of the war with months. The last German transport of stolen gold arrived in Switzerland on April 6, 1945, three weeks before Hitler's death.³⁴⁵

The Swiss sales of the Melmer deposits are proven by numerous documents. Rudolf Höss, commander of the Auschwitz complex, also knew about it: "When the sorting process that followed each major operation had been completed, the valuables and money were packed into boxes and taken by lorry to the Economic and Administrative Main Office in Berlin, and thence to the Reichsbank, where a special department dealt exclusively with items seized during the action against the Jews. Eichmann told me on one occasion that the jewelry and currency were sold in Switzerland and that the entire Swiss jewelry market was dominated by these sales."³⁴⁶ Höss was right in his memoirs: the Reichsbank organized the foreign sales of individual items of jewelry of varying quality and value through the Berlin Pawnshop and DEGUSSA.³⁴⁷ Part of the gold was sold abroad through the Dresdner Bank and the Deutsche Bank because these financial institutions "got agio for coins and bars abroad."³⁴⁸ The most repulsive aspect of these looted assets were the gold teeth and other gold objects of an obviously personal nature. A significant share of the items related to the crimes of the SS were sold abroad by the Berlin Pawnshop.³⁴⁹ All this became almost invisible within the process of gold sales to Switzerland by the Reichsbank. Through certain transactions the Nazis often sold 3–4 tons of gold coins and bars a month, to a value that could reach 8–9 million marks.³⁵⁰

A significant part of the precious metals seized all over Europe and taken from several million murdered victims were sold through the Swiss National Bank.³⁵¹ The official documents of the Reichsbank often stated the exact and ultimate destination of gold shipments delivered to Switzerland merely as "to Bern."³⁵² Throughout the war massacre of the Jews continued. Operation Reinhard was not stopped in 1943, and the Melmer deposits serving as the background basis of the Max Heiliger account regularly received fresh supplies from the labor and death camps. The biggest of all these was Auschwitz-Birkenau near Cracow.

12. SELF-FINANCING GENOCIDE 2: AUSCHWITZ-BIRKENAU, THE GERMAN BUDGET, AND THE POSTWAR FATE OF HUNGARIAN JEWISH PROPERTY AND THE MELMER DEPOSITS

There are many reasons why Auschwitz became a symbol of the Holocaust. It was the largest and longest functioning camp which was simultaneously a concentration camp, a forced labor camp, and an extermination camp; as such, this multifunctionality was unparalleled in the history of the German camp system. Other, monofunctional extermination camps (Treblinka, Sobibor, Belzec) were in operation only between the spring of 1942 and the fall of 1943, whereas the Auschwitz camp functioned from June 1940 until January 1945. Ninety percent of the Jews killed in the other extermination camps were of Polish origin, but in Auschwitz this proportion was no more than 30 percent. For this reason Auschwitz-Birkenau became the largest graveyard of European Jewry. Besides, Auschwitz-Birkenau became the global symbol of genocide because this is where the Germans killed the largest number of people. This means that Auschwitz also became the largest cemetery of the world, since more than 1.1 million people died there. Ninety percent of them—almost 1 million people—were killed because of their Jewish origin. Since 35–40 percent of the Jewish victims were Hungarian citizens, it is evident that Auschwitz became a symbol partly as a result of the Hungarian Holocaust.

While the death camps around Lublin fell jointly under the competence of the local Lublin office of the SS-WVHA (Special Unit G), Auschwitz itself was in a partnership relation with the SS-WVHA.³⁵³ Regarding economic matters the SS-WVHA maintained contacts with the camp through Division IV—Administration (Abteilung IV- Verwaltung) of the camp. The department operating as the Auschwitz counterpart of the SS-WVHA was directed by SS-Obersturmbannführer Karl Möckel between 1943 and 1945.³⁵⁴ The last phase of Operation Reinhard in Auschwitz (i.e. the collection of the valuables of the exterminated Jews and the transfer of the valuables to the SS-WVHA in accordance with the methods detailed above) was also a task that fell to Möckel.³⁵⁵

The most important chapter of Operation Reinhard in Auschwitz was undoubtedly the summer of 1944. This was also the peak of the operation of the Auschwitz-Birkenau camp complex. This was the time when the Jews of Hungary arrived in unprecedented numbers to the Birkenau

“Judenrampe” (Jewish ramp) built in April and May for the “reception” of the victims. The first 3,800 Jews from Hungary arrived on April 30, 1944, in two trains.³⁵⁶ The mass transports reached the “death factory” between the middle of May and the middle of July. During these two months there were in general 3 to 5 trains arriving every two days, each transporting 3,000–3,500 Jews from Hungary.³⁵⁷ In addition to this, several so-called special transports arrived to Auschwitz with other smaller groups.³⁵⁸ In 1944 a total of 430 thousand Hungarian Jews were transported to the camp. Their extermination set the SS staff an unprecedented task. The number of the Jewish special commando (Sonderkommando) staff performing the cremation of the dead bodies was increased from 224 to 900.³⁵⁹ In May 1944 Rudolf Höss was sent back to Auschwitz to take charge of the annihilation of the hundreds of thousands of Jews sent from Hungary by Eichmann. Höss, having directed the death works as a founding commander of the camp between 1940 and November 1943, was appointed the Chief of Section D/I. of the SS-WVHA, and so he actually became the “deputy” of the Inspector of Concentration Camps from December 1943.³⁶⁰ The extermination of the Jews from Hungary was thus put under the charge of the most experienced “specialist,” and for this reason the several month-long action was given the name “Operation Höss.” Höss needed all his energy to perform the task. Although the gas chambers were filled day and night and the crematoria were kept working around the clock, the barracks were still packed with intolerable numbers of Hungarian Jews. In his memoirs Höss wrote of this period: “The highest total of people gassed and cremated within 24 hours was more than 9,000. This figure was attained in the summer of 1944, during the action in Hungary...”³⁶¹ According to one of his subordinates, Pery Broad of the camp-Gestapo, the activity of the camp “... reached its climax in the spring of 1944. Long trains from Hungary arrived non-stop at the Birkenau sub-camp.”³⁶²

Only 20 percent of the 430 thousand Jews arriving from Hungary were selected as capable of work, and the rest—about 350 thousand people—was gassed immediately upon arrival.³⁶³ Tens of thousands of people capable of work often waited for months for their transportation to other concentration camps and work sites, while further thousands died in the meantime, as happened later as well during the fall and winter evacuations.³⁶⁴

However, there was one common characteristic in the fate of these Jews: in the framework of Operation Reinhard all of them were robbed of

their belongings, regardless of their age, sex, or working capability. All the remaining assets of 430,000 people—clothes, objects of personal use, tools, medical devices, baby carriages, and most importantly for the SS, jewels, cash (foreign currencies and Reichsmarks), and precious metals—were seized by the division led by Möckel. Objects of personal use were sorted day and night by the so-called Kanada commando of 2,000 prisoners (officially called Aufräumungskommando—the clearing-up team).³⁶⁵ These objects were transported in railway cars to the Reich and were distributed among the civilian population and the soldiers at the front.³⁶⁶ Foreign currency, jewels, and precious metals were received by Section A/II/3 of the SS-WVHA led by Melmer.

There are dissenting estimations concerning the gold acquired in the camp. According to the Hungarian Jewish physician of the Sonderkommando, the gold teeth extracted from the mouths of the corpses in the four crematoria were melted into 140-gram discs before transportation. The melting down was the special task of three goldsmiths at Crematorium III in Birkenau. There were days when they produced as much as 30–35 kilograms of pure gold, primarily by melting the gold teeth into graphite molds.³⁶⁷ According to somewhat far-fetched estimates, approximately 6,000 kilograms of gold was smelted from the victims' gold teeth in Auschwitz-Birkenau.³⁶⁸ In the fall of 1944—i.e. after the mass extermination of the Hungarian Jews—a Slovak Sonderkommando member, Frantisek Feldmann, told his comrades that during the previous year he personally melted down approximately 2,000 kilograms of tooth gold.³⁶⁹

Only in the summer of 1944 could gold from teeth have yielded as much as hundreds of kilograms of gold.³⁷⁰ Such gold teeth as were not melted down, along with the mass of the jewelry found by the “Kanada” commando during the sorting of the luggage and taken from the inmates in the showers (the so-called Sauna), amounted to many times more than that. Although the relevant Hungarian regulations obliged the Jews to surrender all cash and every object of precious metal except for wedding rings without precious stones, the Jews tried to save their personal jewelry and some cash during their confinement in the ghettos and deportation. Despite brutal tortures and sudden searches by the Hungarian authorities looking for valuables, almost everybody managed to hide something.³⁷¹ The average weight of a wedding or seal ring, a pair of earrings, a necklace or a bracelet could only be a few grams, or decagrams, but as the result of the total looting of almost half a million people these individual few grams and decagrams summed up to tons. Thus the rob-

bing of the Hungarian Jews during the summer months of 1944 could have netted the SS a total of several tons of precious metals and thousands of carats of pearls and other precious stones. Besides, loads of cash, foreign currency, shares, personal objects, and clothes were seized from the Hungarian Jews at the Birkenau ramp. Pery Broad, a member of the camp-Gestapo, recalled this as follows: "Diamonds, thousands of gold rings, chains and watches, mountains of furs, clothing, and property of every kind could be seen in the money and valuable departments and the large sorting and storage barracks of the Administration of the SS Garri-son Auschwitz (BII.g camp—Kanada)... Suitcases full of jewelry, paper money, and coins were dragged to the cellar of the administration building because they could not keep up with the sorting and counting. A whole staff was employed just to count the enormous sums of money day after day."³⁷²

The first transport arrived at the Auschwitz complex on June 14, 1940. The last small group of prisoners arrived sometime in January, 1945. During the 56 months between 1940 and 1945 about 1.3 million people (Jews and non-Jews) were deported to the camp. More than one third of the valuables robbed by the SS in Auschwitz-Birkenau over these five years were taken from the Hungarian Jews in the summer of 1944 and within only 12–14 weeks.

SS looting took on unprecedented dimensions. It is not by chance that on May 22, 1944 (that is, when the first Hungarian transports arrived) Höss, outraged by the thefts of the SS-men, obliged the camp personnel participating in the exterminations to take a new and solemn oath: "I am aware and have today been instructed that I will be punished by death if I appropriate Jewish property of any kind" ("Mir is bekannt und ich bin heute darüber belehrt worden, dass ich mit dem Tode bestraft werde, wenn ich mich an Judeneigentum jeglicher Art vergreife"). This measure, however, proved useless, and according to the camp resistance 30 percent of the Jewish assets were stolen already in the camp.³⁷³

As the SS destroyed almost every document collected during the previous years when they evacuated the camp-complex at the beginning of 1945, we can only estimate the value of precious metals, jewelry, shares, foreign currency, and other valuables seized from the Hungarian Jews. The report, made by SS und Polizeiführer Odilo Globocnik to Himmler about those instances of Operation Reinhard which were conducted under his command, and the figures based on calculations by the SS-WVHA Special Unit G operating close to the SS headquarters in

Lublin offer self-evident opportunity for comparison. (Since serious charges of embezzlement had been brought by the SS-WVHA against Globocnik, an SS leader who had killed a Jewish jewelry merchant from Vienna before the Anschluss, he knew that his life was in Himmler's hands, and therefore prepared an extremely precise report of the entire action.) According to his summary report dated January 5, 1944, he had delivered the following valuables seized from the Jews between 1942–1943 to the SS-WVHA:³⁷⁴

Table 11: Globocnik's figures about the valuables seized from the Jews (1942–1943)

Cash in zlotys and German marks	RM	73,852,080.74
Precious metals	RM	8,973,651.60
Foreign currency in bills	RM	4,521,224.13
Foreign currency in gold	RM	1,736,554.12
Precious stones and other valuables	RM	43,662,450.00
Fabric	RM	46,000,000.00
Total in German marks	RM	178,745,960.59

Of course, Globocnik's data did not include valuables worth millions and stolen illegally by SS leaders and staff.

Out of the 1.1 million Jews plundered in Auschwitz-Birkenau approximately 430 thousand were Hungarians, 300 thousand were Polish, 178 thousand had been deported from the Western and Northern regions of Europe, while 145 thousand had arrived from Southern and Eastern Europe (the citizenship of some further 34 thousand Jews cannot be established). The 430 thousand Hungarian and 178 thousand Western and Northern European Jews probably were wealthier and therefore had carried more valuables than the average Polish Jews (one should not forget about the difference between the living standards of Polish and Hungarian or Western Jews, in addition Polish Jews often spent years in ghettos before being deported to death camps, so they were totally impoverished by the time of their arrival) who constituted nine tenths of the victims deported to the extermination centers around Lublin. Therefore it is highly probable that the SS seized more valuables from the fewer Jews deported to Auschwitz than from those 1.4 million who were exterminated in the death camps under Lublin's supervision.

The valuables and articles of personal use seized from the deportees to Auschwitz-Birkenau between 1940 and 1945 were worth hundreds of

millions of marks.³⁷⁵ Our estimation is supported by a testimony of Höss: "After any larger extermination action, every six weeks or more often, a two-and-a-half ton truck filled with valuables went to Berlin."³⁷⁶ All in all, as the Auschwitz documents did not survive, we have to resort to proportioning the numbers provided by Globocnik in order to come up with figures, which inevitably leads to underestimation. The estimation is based on the 5/4 proportion between the numbers of the plundered Jews (1.4 million/1.1 million).

Table 12: Value and breakdown of Jewish assets looted in the extermination camps (1942-1944)

<i>Categories of valuables</i>	<i>Belzec, Treblinka, Sobibor, Lublin-Majdanek (1.4 million plundered Jewish victims)</i>	<i>Auschwitz-Birkenau (1.1 million plundered Jews)</i>
	<i>RM (exact sum)</i>	<i>RM (proportionated estimation)</i>
a. Money in zlotys and German marks (RM)	RM 73,852,081	RM 59,081,665
b. Precious Metals	RM 8,973,652	RM 7,178,922
c. Foreign currency in bills	RM 4,521,224	RM 3,616,979
d. Foreign currency in gold	RM 1,736,554	RM 1,389,243
e. Precious stones and other valuables	RM 43,662,450	RM 34,929,960
f. Fabric	RM 46,000,000	RM 36,800,000
Total sum in German Reichsmarks	RM 178,745,961	RM 142,996,769

The items under points b-c-d-e, i.e. precious metals, foreign currency and gold coins, and precious stones, constituted one third of the total value of assets seized from the Jews in the camps (5+2.5+1+24.5=33 percent). Thus, according to our estimations (and not counting individual thefts) the SS in the course of the Operation Reinhard acquired Jewish property at a value of a minimum of 322 million marks (129 million dollars at the time, 1.29 billion dollars today). The Nazis obtained this amount as a result of exterminating some 2.5 million Jews. (If we also take into account the value of the assets seized from the Jews killed in Chelmno, we would have to add several further millions of dollars to this total sum.)

The 430 thousand Jews deported during Operation Höss carried out in Auschwitz-Birkenau in the summer of 1944 constituted 40 percent of

all the Jews plundered in the camp complex, so we can say in accordance with this proportion that they must have been robbed of valuables worth approximately 57 million marks (23 million dollars at the time, 230 million today). Precious metals, foreign currency, and precious stones must have amounted to one third of this property (77 million dollars today).

Operation Reinhard continued all through the time of the massacre of the Hungarian Jews. One piece of evidence among others is that on March 31, 1944, shortly after the occupation of Hungary, Vice-president of the Reichsbank Emil Puhl made a confidential verbal agreement with the government authorities in Berlin that the acquired "... foreign money, gold and silver coins, precious metals, securities, jewelry, watches, precious stones and other valuables" were to be sold under the direction of the Reichsbank. The codename of the action ("Melmer") revealed the origin of the valuables in question.³⁷⁷ It is obvious that all this was necessary in order to successfully sell the already accumulated valuables and to carry on with the freshly begun plundering of the Hungarian Jewry.

The same is supported by Pohl's replies at his interrogation in Nuremberg, during which he repeatedly stated that Operation Reinhard continued through the summer of 1944, in other words, during the extermination of the Hungarian Jews.³⁷⁸ However, the documents prove that the sale of valuables seized from the Jews either killed or forced to slave labor continued until practically the last days of the war. With a view to current and prospective acquisitions Pohl in July 1944 summarized the rules for handling Jewish property and maintained his discretionary rights with regard to the most important issues.³⁷⁹ In late July he notified Minister of Finance Schwerin von Krosigk that transfers to the Max Heiliger account would continue. The head of the SS-WVHA expected to gain marks, German treasury bonds, foreign currency, shares, jewels and other precious metal objects from the future transactions.³⁸⁰ The 46th transport from the Reichsbank to the Prussian State Mint (Preussische Staatsmünze) arrived on November 24, 1944. On this occasion Thoms sent, among other things, 4.37 kilograms of platinum teeth and 25.373 kilograms of gold teeth and crowns for smelting along with at least 63 kilograms of silver articles.³⁸¹ On December 19, 1944, Von Krosigk was still busy exchanging letters about the handling and utilization of Jewish property with the Berlin Pawn Shop (Pfandleihanstalt). He attached a memorandum issued by Otto Ohlendorf—former Einsatzgruppe D commander and mass murderer, now Deputy State Secretary in the Ministry of Economics—in which he described in detail how Jewish diamonds

must be assorted on the basis of value and how they were to be sold in Switzerland, Spain, Portugal, Sweden, and other states.³⁸²

The Melmer deposits gathered in the course of the action were transported to the Reichsbank over the course of 30 months (between August 1942 and January 1945). Altogether at least 76–77 such transports took place.³⁸³ This meant in general 2–3 transports per month. The last 9 months of the action were simultaneous with the extermination of the Hungarian Jewry, so probably 12–18 Melmer deposits—15–16 percent of the total income—was of Hungarian origin.

Different things happened to the various elements of this group of valuables. Shares were transferred to the Prussian State Bank; precious metal coins were taken over by the Reichsbank's Precious Metals Department or sold abroad by the Dresdner Bank and the Deutsche Bank; a part of the jewels was melted down by the Prussian State Mint, a large portion was sold in Switzerland, and some were taken over by the Berlin Pawn Shop. The foreign currency and the pengős were sold by the Reichsbank. (The Hungarian currency was sold at a price far below the official exchange rate). The income rolling in through various channels was spent by the German state in neutral states (primarily in Switzerland) on purchasing the raw materials indispensable for the continuation of the war, while other sums were transferred to the Max Heiliger account to cover the expenses of the SS and the operational costs of the extermination mechanism. The millions of dollars that landed in the Reinhard Funds was spent on running the SS companies. Several German private companies benefited from these two sources through highly advantageous and profitable orders. This is how the practice of self-financing genocide was realized: the plundered properties of Jews were used to cover the costs of their extermination and the continuation of the war that made it possible.

The fact that the SS-WVHA did not exclusively transfer Jewish valuables to Switzerland through the Melmer deposits and that nearly all major actions were followed by a series of minor transfers independent of the Reichsbank also becomes clear from the words of another infamous exterminator of Jews, SS-Brigadeführer (Brigadier General) Jürgen Stroop. Stroop, who brutally suppressed the Warsaw ghetto uprising in 1943, recalled when he was questioned on the financial transactions involved and the quantity of the looted property: "I can't remember exactly, as we gave different figures in the official reports and in the secret reports that were carried together with the valuables by special messen-

gers to the private staff of the SS-Reichsführer or to SS-Obergruppenführer Oswald Pohl. ... Gold, platinum, brilliants, jewelry, and other valuables together with currency were deposited by Oswald Pohl in the secret account of the SS in the Reichsbank and in further Swiss banks."³⁸⁴

We have less information on the fate of the gold and other precious metal jewelry seized from the victims than on the gold stolen from the national banks of the countries occupied by the Nazis. This latter type of gold was sold by the Germans in bulk, primarily in Switzerland. In the case of gold coming from the camps, the traces of its bloody origin—that is, the physical form—had to be removed. Melting down the metal and forging a hallmark did not prove to be an impossible task, although some annoying delay was inevitable. (The Reichsbank mastered the forging of special original hallmarks when selling the gold reserves confiscated from banks. They usually used pre-war marks, so it seemed that they were selling original German reserves.)³⁸⁵

Due to the air-raids intensifying towards the end of the war, the gold reserves of the Reich kept in the Reichsbank became endangered. Therefore, at the end of February 1945 the Reichsbank's assets (notes, precious metals, and some deposits) were loaded onto a train and transported under the direction of Thoms to the Merkers mines.³⁸⁶ The unloading of the valuables from the carriages into the subterranean chambers of the mine lasted for four days. A few days later another transport arrived, the unloading of which took a further two days.³⁸⁷ Thoms estimated the total value of the transports—which among other consisted of 4,099 bags containing two gold bars each and 2,759 bags of gold coins—to be at least 500 million Reichsmarks.³⁸⁸ This amount of half a billion marks (200 million dollars in 1945, 2 billion at present day value) did not include the gold and silver articles of the SS-WVHA transported on the second train.³⁸⁹

In April 1945 this enormous treasure was seized by the American troops invading the area of Merkers. Every detail concerning the assets of the Third Reich was obviously of great interest to the Americans, so they questioned the captured officials of the Reichsbank thoroughly. It was during these interrogations—and through the statements of Thoms—that the darkest secret in the history of Nazi Germany, Operation Reinhard, started to be disclosed. Following the trail given by Thoms's account the Americans extended the investigation to the other figures involved, which soon resulted in the arrest of the president of the Reichsbank, Walter Funk, and his deputy, Vice-president Emil Puhl, as

well as other SS leaders, among them the main master of SS economic matters, Oswald Pohl.

With the help of the Thoms-confession and the testimony of Melmer, who was also found alive, it was possible to bring the chief figures in the affair to court, and during the war criminal trials the fate of the assets of the Jews killed in the extermination camps came to light. A part of the German gold found in Merkers was used to compensate the occupied countries whose national gold reserves had been partly or entirely confiscated by the Germans. It seems that one of the nations compensated was Austria, which was declared to be the first victim of National-Socialism.

Although most of the Reichsbank valuables found in the Merkers mines belonged to the category of “monetary gold” according to the terminology used by the Allied Forces, this, of course, was not true for the Melmer deliveries, about which the American authorities knew that their original owners had been killed in the extermination camps in Poland. The subsequent fate of the valuables was influenced by another important factor, namely the differing definition of “monetary gold” by different American organs.³⁹⁰ Ultimately a Solomonian decision was again brought down: golden bars and coins seized by the American Army were qualified as monetary gold on the basis of form, while other valuables the American Army got hold of were qualified as such on the basis of origin. Therefore, the golden bars and coins taken from the Jews killed in the course of the Operation Reinhard were regarded as monetary (“bank”) gold, while golden rings, for example, originating from the same source were not put into this category. Owing to this terminological confusion those parts of the victims’ property which qualified as monetary gold (bars and coins) might have been transferred to the Gold Pool (GP) administered by the Tripartite Gold Commission (TGC), while the jewels not belonging to the monetary gold category were to be turned over to the UN’s Intergovernmental Committee on Refugees (IGCR). There was a huge practical difference between what happened to these two groups of valuables: in accordance with the TGC’s decision, the gold from the GP was turned over to the governments of the (mainly Western) European countries plundered by the Nazis, while two Jewish organizations—the American Jewish Joint Distribution Committee (Joint) and the Jewish Agency—were granted a fifty-fifty proportion of 90 percent of the valuables handed over to the IGCR.

Luckily for the American administration, the SS-WVHA and the

Reichsbank solved a serious problem: the Melmer deposits “found at Merkers include[d] a greater share of the less readily convertible items—jewelry, gold teeth, and so on—and a smaller share of bars, coins and paper money.”³⁹¹ Although it cannot be excluded that the few gold bars and coins coming from the extermination camps and found at Merkers were transferred from the GP to certain governments, it is sure that most valuables were acquired by the Joint and the Jewish Agency through the UN IGCR and its successor, the International Refugee Organization (IRO). According to American documents, the turning-over took place before September 1947, and presumably in the summer of 1947.³⁹²

In general two conditions had to be fulfilled for at least this turning over to be tenable (since in our opinion the transportation of the valuables to the GP seems to be groundless): if either the owner or the national origin of the valuables was identifiable, the IRO should not have acquired them. And what a surprise, the American occupation forces found two sacks of documentation concerning the Melmer transactions in the Magdeburg branch office of the Reichsbank.³⁹³ This, and the fact that all the important figures in the case could have been interrogated, would have enabled the authorities to establish the national origin of at least some of the valuables. This task, however, was only performed with regard to currencies and shares: these were declared to be identifiable from the point of view of “national origin,” and consequently were not put at the IRO’s disposal. Knowing what happened to the Hungarian Jewish Gold Train and its freight,³⁹⁴ we have to ask the question: if the bulk of the Melmer-deposits was turned over to the IRO without an attempt to identify the original owners or the national origin of the valuables—just as it happened in the case of the Gold Train—why were the shares and the currency not granted to the IRO, which did in fact acquire the currency carried by the Gold Train?

The American authorities sensed that they were standing on shaky ground. They knew that some of the valuables turned over to the IRO would be identifiable and they were worried that one day the original owner might show up. They sought to overcome this problem by declaring the claims procedure unnecessary and suggesting that the individual claims should be rejected (“Believe no claims procedure necessary and recommend that none be adopted”).³⁹⁵ To reassure themselves, the American organs informed each other that they had not turned over the items that might be identified to the IRO, which was simply not true, since it was they who claimed that they had turned over everything with the excep-

tion of the shares and the currency. At the same time they emphasized with some relief that the IRO was in any case “separating the precious stones from the settings and melting precious metals into ingot form.”³⁹⁶ This removed the possibility of further inconvenience, since the jewels ceased to exist in their original form, “thus it appears certain that items already turned over [would] not be susceptible to later identification.”³⁹⁷

Our estimations show that the total value of the 76–77 Melmer deposits was about 40–50 million dollars, which today would be worth ten times more. According to SS-Hauptsturmführer Bruno Melmer, who transported the valuables to the Reichsbank, and to Albert Thoms, who took over the SS treasure on behalf of it, the aggregate value of the assets turned over by the SS-WVHA as the result of Operation Reinhard was around 50–60 million marks (20–24 million dollars).³⁹⁸ However, as the “Melmer-type” precious metals, precious stones, and currency turned over by Globocnik to the Lublin branch office of the SS-WVHA were alone worth almost 60 million marks (24 million dollars)—and the bulk of the transports arrived from Auschwitz-Birkenau—it is obvious that both of them underestimated the total value of the Melmer deposits. Approximately 15 percent of the Melmer deposits were seized from Hungarian Jews, so—if we include the valuables confiscated by the German forces occupying Hungary—the Hungarian Jews contributed hundreds of millions of marks to the budget of the Nazi state that strove to exterminate them.

13. SELF-FINANCING GENOCIDE 3: THE PROFIT TO THE HUNGARIAN BUDGET

We demonstrated previously in connection with the German budget that whereas the revenues coming from the Endlösung had not been insignificant, they would not have constituted a major contribution to war expenditures. But it should be understood that the situation was quite different in the case of Hungary. Whereas the total wealth of the German Jews amounted to 33–50 percent of the peace time German budget, the value of all property belonging to the Hungarian Jews was worth twice or three times more than the complete Hungarian budget for the year 1944 (4.2 billion pengő, i.e. about 8 billion dollars at present value), a time when the war industry was operating at full intensity. The difference is even more striking if we compare the wealth of the Hungarian and the German Jews to the 1944 domestic budgets of the respective states: from this we

can conclude that proportionately the Hungarian Jewish property was much more significant in terms of the national budgets.³⁹⁹ The assets of the Hungarian Jews—the value of which equaled 20–25 percent of the Hungarian national wealth, exceeding 20 billion dollars at current value—was enough to cover the complete Hungarian internal public debt (around 9 billion pengős) and all the German debts, that is, all the uncovered war debts accumulating throughout those years.⁴⁰⁰ Therefore, it seems that nowhere in Europe was the deportation, extermination, and plundering of Jews such an attractive and profitable business as in Hungary.

In 1944 the collaborating Hungarian government was well aware that while ridding the country completely of the Jews would be costly, doing so held out the promise of very significant state revenues. As the ghettoization and the deportation first became a real possibility as a result of the unexpected German occupation, the Hungarian *Endlösung* did not have an orderly planned budget. It simply seemed like a good idea to cover the costs of ghettoization and deportation from the revenues realized from these actions, in other words, to have the “final solution of the Jewish question” financed by the Jews themselves.

The concept had been broadly outlined in the statutes and draft bills quoted earlier. According to the draft bill prepared by Minister of Justice Antal in May 1944, the “compensation” paid for the Jewish property confiscated by the state should have been “reimbursed” through financing the relocation of the Jews from Hungary,⁴⁰¹ while the Arrow Cross government’s aforementioned decree no. 3840/1944 “on Jewish property,” which came into force on November 3, 1944, explicitly stated: “Every Jewish asset shall be regarded as national wealth transferred to the state. This wealth shall be spent on covering the costs of war, war damages, and the implementation of the laws concerning Jews.”⁴⁰²

In fact, the interior administration headed by Endre and Baky had attempted to realize the idea of self-financing genocide even earlier, at the beginning of the ghettoizations in April. In the memorandum attached on April 19 to the secret ghetto decree they stated: “At this point the decree does not regulate the financing of expenses emerging in relation to the evacuation. According to the agreement reached at the meeting, the authorities shall cover these from the Jewish monetary property seized and impounded in accordance with the pertaining regulations.”⁴⁰³ However, like most of the orders issued at this time this command proved to be unenforceable. In the course of the ghettoization and deportations wages had to be paid to teamsters, midwives, jewel experts, and gendarms

transferred to the sites of “actions” from elsewhere, as well as to the tradesmen who walled and boarded up the windows and prepared the barriers separating the ghettos from the outside world. The price of building materials and the costs of railway transport also had to be reimbursed. By the end of May the ghettoization had been completed in almost the entire country, and in the middle of the month the *en masse* deportations began. At the same time, for example on May 30, the gendarmerie did not have the faintest idea how much cash was seized from the Jews in the gendarmerie district of Kassa, so it was far from covering these costs and entering them “in accordance with the pertaining regulations.”⁴⁰⁴ Another solution had to be found.

Instead of first seizing the cash reserves so that they could be spent on the expenses of the ghettoization afterwards, it seemed much more logical to have the Jews immediately pay for the expenses as they occurred. Many of the local authorities realized this. The ghetto decree issued by the Chief Constable of the Edelény district (Borsod county) prescribed that “the costs of transportation to the ghettos shall be paid immediately and collectively by the Jews of each settlement.”⁴⁰⁵ Well ahead of the establishment of the national “Jewish account” the Chief Constable ordered that the Jews pay 150 pengős per person into a separate postal savings bank account, from which the relevant authority would be able to pay the expenses entailed. The decree added: “The Jews of the district shall be obliged to pay the per capita amount of 150 pengős on behalf of those Jews who are not able to pay this amount themselves.”⁴⁰⁶ In the city of Makó (Csongrád county) “the relocation of the Jews [was performed] at their own expense.” The Mayor prescribed that the translocation of Gentiles also had to be paid for by the Jews, but these costs were advanced by the town treasury “to the debit of Jewish property.”⁴⁰⁷ By the terms of a Pest-Pilis-Solt-Kiskun county order the Jews transported into the ghetto had themselves to cover the costs of moving.⁴⁰⁸ The Jews of Szombathely likewise had to pay for the building of the board fence around the ghetto.⁴⁰⁹

The authorities also saw to it that—wherever and however it proved possible—the problem of the provision of supplies to the ghettos should be solved by the Jews themselves. Success in this case of course greatly relied on what the Jews had been allowed to take with them into these forced places of residence. In terms of the already cited secret ghetto decree of April 7, the Jews were allowed to take food for two weeks and a package weighing 50 kilograms, but no money and other valuables.⁴¹⁰ In

some areas, especially in the first deportation zone, the families had only minutes for packing, so naturally neither the food nor the 50-kilograms of luggage could be packed. There were places where the authorities complied with the rules, but this was not the case everywhere.⁴¹¹ In Makó no attention was paid to the weight limit, the Jews could take “only the most necessary movable properties” to their new place of residence, and the decree specified what the leadership of the town regarded as “most necessary.”⁴¹² At other places the amount of property allowed to be moved into the ghetto was not restricted in an itemized manner, however, there were certain criteria to be met. The deportation decree of Szombathely, for example, prescribed that “the people moving out may take with them necessary furnishings and articles of personal use, however only to the extent that they do not reduce the capacity of the accommodation.”⁴¹³ The decree of course did not mention what was to be regarded as “necessary” movables, so the gendarmes, the police officers and officials were left to decide what might and might not be taken into the ghetto.

Allegedly based on an order of the Ministry of the Interior the deportation decree of Pest-Pilis-Solt-Kiskun county prescribed that “the Jews ... are not restricted as to the property they may take with them.”⁴¹⁴ This measure was in all probability inspired by practical considerations, as the simplest solution was to assign the task of managing the supplying of the ghetto to the Jewish leaders, who could only make use of what was at their disposal. If the local authorities prevented the Jews from taking enough food and movable property with them, this could lead to significant organizational and supply-related difficulties. The authorities faced this problem very soon in a number of places. In Munkács, where numbers of Jews were transported at short notice, a shortage of food very soon developed. Secretary of State László Endre, who was visiting the area by chance, gave orders to the competent authorities that “for the further provisioning of Jews transported from the countryside, the food reserves they left at their previous place of residence shall be used in the first instance.”⁴¹⁵ The prudent Chief Constable of Edelény mentioned above had foreseen the problem already when ordering the ghettoization, so he prescribed that “the baking of bread in the ghetto shall be solved in accordance with the orders of the [Jewish] council; I give permission that from the fuel in their ownership they may take [into the ghetto] 1 cubic meter of wood and 10 hundredweight charcoal.”⁴¹⁶

The ghettos caused not only public supply but public health problems. The danger of epidemics emerged very soon in the hot spring and

summer of 1944 among the Jews squeezed into the small premises, where the hygienic conditions were anything but satisfactory. Handling this problem also cost money, and the local authorities were eager to charge the Jewish community with these expenses. The Sub-prefect of Zala county ordered the typhoid vaccination of the Jews transported into the county's ghettos to be carried out in such a way that "each ghetto shall be obliged to reimburse the price of the vaccine."⁴¹⁷ The Balassagyarmat ghettos were so crowded that the local physicians described the situation as carrying the immediate danger of an epidemic, leading Dr. Albert Kenessey, director of the local hospital, to submit a memorandum of objection to his superiors.⁴¹⁸ On May 22, the Sub-prefect of Nógrád ordered the mandatory vaccination of Jews in all the ghettos of the county. The price of the vaccine had to be advanced by the local authorities with the stipulation that they had "a claim for reimbursement via Jewish property."⁴¹⁹ The unbearable hygienic conditions of the Ungvár collection camp and the threat of an epidemic that could spread to the Gentile population of the city served as a cause for the Mayor to ask the Ministry of the Interior to launch the transports: "I respectfully supplicate for the urgent deportation of the Jews collected in Ungvár."⁴²⁰

As usual, the government reacted tardily to the emerging problem. On May 13, two days before the beginning of the mass deportations, Minister of the Interior Jaross issued a decree regulating the issues of financing related to the collection camps to be set up. "The town or village to which responsibility falls on the basis of the camp's location" was obliged to pay for the costs of transportation, food supply, and construction; "however, these costs will be reimbursed by the state treasury."⁴²¹ Those settlements that lacked a sufficient amount of money received an advance amount from the Ministry of the Interior. Jaross called the attention of the local authorities to the fact that he expected the greatest economy with regard to all expenses. This meant in practice that food supply was reduced to the point of systematic malnutrition, as "the provision of amounts necessary for subsistence" had to be solved "at the lowest possible expense."⁴²² The authors of the decree devised an effective method to urge the towns and villages to economy, as the statute specified: "The state treasury reimburses these expenses to the extent that and only if they emerged in relation to unavoidably occurring minimum needs and with view to the principle of the greatest thriftiness."⁴²³ Since the Ministry of the Interior decided whether the expenditure verified with the submitted invoice had really been "unavoidable," the only way local authorities could

save themselves from losing money at the deportations was to spend as little as possible on the provision and placement of the Jews. This led to large scale starvation and diseases, which in turn meant that the Hungarian authorities in practice doomed tens of thousands of potentially capable persons to be sent immediately by Mengele and his colleagues to the gas chambers during the selection at Auschwitz-Birkenau.

In early July the deportation of Jews living outside Budapest area had been accomplished. The deportation led to unpaid bills all over the country. The general principle introduced by Jaross remained in force, so that the local authorities in the first instance had to pay for any claims. Mrs. Lajos Kiss provided food for the 50 policemen participating in the deportation of the Hódmezővásárhely Jews for a price of 5.90 pengő (1 dollar) per person per day. She submitted her invoice to the Mayor's office in July. The authority acknowledged the claim, and settled the bill to the debit of the "transit-advances" account of the household basic budget for the year 1944. In terms of the order given to the finance office, the amount paid had to be booked "for reimbursement to the debit of the Ministry of the Interior."⁴²⁴ The Mayor referred to "the verbal decree of the Minister of the Interior" when following the same procedure with regard to the claim put forth via the town by the Hungarian National Railways (MÁV) for transporting "737 Jewish individuals" to Szeged ("at 2.10 pengő per person, altogether 1,547.70 pengő").⁴²⁵ The Körmend stationmaster's office submitted the invoice for the deportation of the local Jews to the financial directorate of Szombathely, which refused to pay on the argument that "it does not fall within the competency of the Hungarian royal financial directorate to reimburse the transportation costs that have emerged, as the setting up of the ghetto and the transportation of the Körmend Jews to Szombathely were performed upon the decree of the Minister of the Interior."⁴²⁶ When making a payment to the midwives body-searching the Jews and the jewelers evaluating their collected jewelry, the Mayor of Zalaegerszeg also noted that "all the expenses shall be paid by the state treasury but the town is obliged to advance them."⁴²⁷

When in August the Mayor of Kiskunfélegyháza tried to assert a claim of 1750.7 pengő (350 dollars) as consideration for the food delivered to the Jews forced into the local ghetto, Minister of the Interior Jaross's successor, Miklós Bonczos, acknowledged that such amounts were usually chargeable on the Ministry, but he immediately found an excuse: "In the event that ... the receipt of the orders and the goods were not performed by the authority, the claims may only be asserted via the

customer.”⁴²⁸ In some ghettos the local Jewish Council was able to order food directly from the merchants, so Bonczos may well be referring to such instances when writing about orders that were not taken over by the authority and the claims for which might only be pressed “via the customer.” If this was so, the merchant trying to collect the town’s debt ran after his money in vain, as the “customers” had long before been deported and murdered with the enthusiastic help of the local authorities.⁴²⁹

Postal Savings Bank account no.157,880, named “Jewish properties deposit account, Budapest,” became the center of financial transactions concerning Jewish assets. According to the plans, cash seized from the Jews as well as the consideration received for the auctioned goods, livestock, and equipment of Jewish ownership and any debt anyone had to Jews had to be transferred to this account. Equally, it was this account from which the tax residues and public utility fee arrears (e.g. electricity and gas bills) of the deported Jews were paid; moreover, this account served for the settling of any debt the Jews were not able to pay off to Christians. Although somewhat incompletely the scheme was made to work, and hundreds of millions of pengő flowed through the account. In early December the Government Commissioner called on the prefects, the Budapest district magistracies, and the organs of the Arrow Cross Party to account for the liquid Jewish property in their hands. In a short period of time more than 200 million pengő (40 million dollars) were paid to the account.⁴³⁰ In April 1945 the balance of the postal account was allegedly 205,399,989 pengő (approximately 400 million dollars at present value).⁴³¹

The account was administered by the Ministry of Finance, while the costs of deportation were advanced by the local authorities and ultimately paid by the Ministry of the Interior. Although in a number of cases the expenses emerging in connection with the anti-Jewish actions were subsequently paid from this account, the direct financing that Endre and Baky envisioned in April 1944 was not realized at this point. However, the concept of self-financing genocide was continuously put into practice, as the Ministry of Finance and the Ministry of the Interior received funding from the same state budget that took in Jewish property and financed the ghettoization and the deportations. These were undoubtedly significant sums and properties. It is enough to refer here to the hundreds of millions of pengő seized in the course of the deportations. In the fall of 1944 the Arrow Cross government subordinated the Government Commissioner’s Office to Department XI of the Ministry of the Interior. This

structural change made it organizationally possible to settle the bills of the summer deportations directly from the central Jewish account. The local councils turning to the government received the costs incurred by them in the course of the deportations and verified by invoices from account no. 157.880. In February 1945, for instance, László Avar, deputy head of Department XI, ordered the Department's accountancy unit to "transfer 15,965 pengő and 38 fillérs to account no. 87.899 of Zalaegerszeg in order to reimburse the costs paid by the Mayor of Zalaegerszeg in connection with the deportation of the Jews and verified by documents" to the debit of account no. 157.880.⁴³² Thus, after the Hungarian Nazis reorganized the governmental structure the self-financing genocide was realized in a direct form as well. However, the quisling government failed to inject the bulk of confiscated Jewish property—the various shops and companies, the tons of movable assets, the thousands of items of real estate—back into circulation in the Hungarian economy. It had had time to acquire but not to "digest" its spoils. The processing and sorting of the property started in early fall. By this time most of the owners had been killed, others were hoping for the end of the terror and fighting for survival in labor service camps, "Jewish houses," or German concentration camps. But the government that doomed them to such a fate did not have much time left—the Soviet and Rumanian troops had already entered the country. The political, economic, and social system that had intended to swallow up the property of the Jews collapsed between the fall of 1944 and the spring of 1945, burying the whole country along with it. There was no time and opportunity for preparing a new budget which would have provided an exact answer to the question: how much profit was realized by sending hundreds of thousands of Hungarian citizens into their death, and what was the cost? As the German and Western European examples show, the self-financing genocide was not a Hungarian innovation, but there is no doubt that in the history of the Holocaust, it was the plundering of the Hungarian Jewry that yielded one of the greatest profits numerically and unquestionably the greatest profit from the point of view of the ratio of the total national wealth. The deportation and plundering of the Jews proved to be a profitable business all over Europe. The process of robbery and genocide proceeding in parallel was perhaps most profitable in Hungary, which makes it somewhat clearer why every tenth Holocaust victim was a Hungarian citizen.

14. MULTIPLE PLUNDER: THE FATE OF HUNGARIAN JEWISH ASSETS AT THE END OF THE WAR AND AFTER 1945

Enforcement of the laws passed by the disintegrating Arrow Cross administration was generally a fantasy. State and party organizations were pilfering Jewish assets virtually unrestricted. The administration gave *carte blanche* to local authorities, on territories under military threat, to distribute Jewish assets to the local populations as they saw fit.⁴³³ This sometimes led to conflicts between local authorities and Arrow Cross members.

In the course of the systematic Arrow Cross-Nazi plundering (euphemistically termed an “evacuation”), valuables which came originally from Jewish ownership moved westward by the ton. Among the shipments were some organized by the state and others exclusively for private benefit. Of the approximately 600,000 tons of property (including retail products, machinery, livestock, raw materials, personal effects, agricultural and industrial products, vehicles, etc.) some 100–150,000 thousand tons had originally been the property of Jews.⁴³⁴ One of the trains that arrived in Austria was the Gold Train, which we treat in detail in the third section of our book.

During this time, another train known as the “Gold Train” left the country, this one carrying a significant part of the valuables of the Hungarian National Bank (HNB). Confusion of the two trains is quite frequent and widespread in publications, though the two were very different. When we speak of the “Gold Train,” we are referring to the one carrying Jewish valuables.

But for the sake of clarity, let us make a brief overview of the story behind the HNB train. Evacuation of the HNB’s valuables toward the Western border had begun in the spring, while gold reserves and securities were shipped to Veszprém by the end of September or beginning of October.⁴³⁵ Immediately after the Szálasi putsch, László Temesváry, an extreme right-wing journalist, became the bank’s director. The imminent approach of Soviet troops led the Arrow Cross leadership to evacuate the HNB valuables westward. Their final relocation began on November 4, 1944, while the leadership left the capital on the 24th of December.⁴³⁶ Valuables were shipped in December from Veszprém in Western Hungary to the Western border zone, where the various trains were then assembled into one. In January of 1945, the German Ministry of Foreign Affairs ordered Hungarian authorities to divide the items into three parts and

deliver them to three different accounts at the Reichsbank.⁴³⁷ This order was ultimately only partly carried out. The national silver reserves that had been joined to the HNB train were detached from it and taken to Magdeburg. The HNB train, which carried, in addition to the bank's own valuables, other state treasures (like the most valuable volumes from the National Széchényi Library and the gold treasures from the Hungarian Academy of Sciences), the gold reserves of the Pesti Magyar Kereskedelmi Bank (Hungarian Commercial Bank of Pest), and more than 200 employees of the bank and their family members, as well as some of the institution's documents, left the country for Austria in two parts in January of 1945. The declared destination was Spital am Pyhrn.⁴³⁸ There, 90 kilometers East of Salzburg, it came into the control of the American army.⁴³⁹ The HNB train too contained Jewish valuables, including those in its own keeping, Jewish deposits for the Budapest capital orphanage, and other objects under Jewish ownership. A portion of these were returned to Hungary in 1946–47, when American authorities returned the major part of the HNB train shipments acknowledged to be Hungarian state assets. As far as we can ascertain, the overwhelming majority of Jewish goods were not returned to their original owners or their heirs.

At the beginning of 1945, the survivors in Budapest left the ghetto and safe houses. During the year, some 110–120,000 returned from German concentration and work camps, and 20,000 returned from forced labor. First they sought out their loved ones—generally without success—then returned to their homes. Most of the 250–300,000 survivors of the Hungarian Holocaust had the same experience. Their apartments had been taken over by Hungarians, Rumanians, Serbs, Slovaks, and Ukrainians. Christians went to work in their businesses, stores, and workshops, and their former neighbors had taken in their animals. Their synagogues, hospitals, schools, and cemeteries had begun to decay for lack of caretakers. They were left with practically nothing. Two-thirds of the Hungarian Jewish community—previously flourishing even amid heterogeneity and division—was lost during the Second World War. The consequences of the policy of physical annihilation were much more horrible than the implementation of the program of economic annihilation, since the former obliterated human lives—and yet the latter proved even more effective: destruction of Jewish wealth reached a level of as much as 80 to 90 percent.

There was no postwar financial restoration of Hungarian Jewry. In fact, the Communist system established in 1948 stripped them of their

assets once again. There were three elements of this second despoliation: the lack of any outside or domestic restitutions, state takeover of property, and state misappropriation of compensation arriving from abroad. Two of these three factors, lack of restitution and withholding of actual compensation, affected the surviving Jews in particular, while the state takeover of property manifested itself as a part of the dictatorial, political, and economic oppression of Hungarian society as a whole.

Domestic restitution and compensation payment—a financial rehabilitation of Hungarian Jews by the Hungarian government—never occurred, for political and economic reasons. The discriminatory Jewish laws and the anti-Jewish decrees issued before 1945 were condemned and invalidated now by a series of changing parliaments and administrations, but the miscarriage of justice in the issue of assets was never remedied. On the one hand, Hungary was in such a catastrophic fiscal position after the destruction of 40 percent of national assets during the war that, even had there been a political atmosphere favorable to the Jews, complete compensation would still have been impossible. On the other, there was no political force significant enough to take up the issue of Jewish compensation. The direct or indirect recipients of Hungarian Jewish assets were so broad-based that no party or movement would have dared gamble with the loss of popularity that would have come with raising the issue. In spite of the bloody reality of the Holocaust, the anti-Semitic public discourse seen in the decades before the war continued even after the liberation. Every section of society exhibited a certain anti-Semitism. This fact was even acknowledged by Prime Minister Ferenc Nagy during his negotiations with Jewish leadership.⁴⁴⁰ Meanwhile the Hungarian administration spared no effort to see that the vast Hungarian assets now abroad, including Jewish possessions, were brought home. The effort met with little success. From the American, Soviet, French, and British occupation zones of Germany and Austria, about 25 percent of the transported goods were delivered back to Hungary.⁴⁴¹ Other such partial results were the return of the Hungarian National Bank train and the restitution of most of the paintings and other works of art that had gone to Austria. The American authorities returned these objects to Hungary.

Restitution was to become a victim of the growing Cold War. Those in the Western Alliance had no wish to strengthen Hungary, now behind the iron curtain, by restoring an enormous industrial capacity. Issues of restitution for Hungary were turned over to the new Austrian government by the British as early as 1946, and by the Americans in 1948, which

was tantamount to freezing the process.⁴⁴² This is clearly illuminated by an American document regarding the Italian elections of the spring of 1948. In the eventuality of a leftist victory, disadvantageous from the American perspective, the possibility was raised of giving the Italian restitutions over to the Austrians as well, as a kind of immediate retaliation. ("If the Italian elections were substantially anti-communist, the U.S. would continue to handle restitution to Italy. However, if the Italian elections were substantially communist, the restitution program to Italy would be handed over to the Austrian Government in the same manner as ... for Hungary and Romania."⁴⁴³) The American government was perfectly aware that putting the restitutions into Austrian hands would have resulted in a complete suspension of the process. The American officer charged with this issue, Colonel Johnson, described the situation of Italian restitutions in no uncertain terms: "The case may be simply summarized in these alternatives: 1) If U.S. desires that restitution to Italy should cease entirely, then turnover of restitution program to Austrian Government is advisable; but 2) as long as U.S. has reasons to desire that restitution to Italy be continued in all categories, the U.S. element should execute the restitution program, and function should not, repeat not, be handed over to the Austrian Government."⁴⁴⁴

The Austrian authorities made no secret of their intentions for the Hungarian goods that came into their control. In June of 1948, Colonel Johnson informed his superiors that "responsible Austrian Ministry officials have stated on several occasions that no Hungarian property will be restituted from Austria but that it will be used as a barter instrument to secure the return of Austrian property from Hungary."⁴⁴⁵

Through these measures Austria, absolved from the weight of crimes in its Nazi past for political reasons, actually became the big winner in the postwar period, both economically and politically. At the same time, the unquestionable rights of ownership of the Jewish survivors, now behind the iron curtain, became a casualty of the distaste for the new Hungarian Communist leadership under Soviet direction. Still it is true, as we shall see in the case of the Gold Train, that the Hungarian government generally did not even attempt to deliver the returned goods (or financial equivalent) to the survivors or their heirs. In other words, it undermined first internal, then external restitutions.

Nationalization of Hungarian economic life took place together with the Communists' increasing takeover of power. In the summer of 1946, the coal mines were taken over by the "people," as were, by the end of the

year, the largest heavy industry, including the partly rebuilt and reorganized Weiss Manfréd industrial complex. In the fall of 1947, the same happened to the large banks and the companies under their ownership, while in the spring of 1948 it came to companies employing more than 100 workers. Finally, in December of 1949, the state seized control of small operations and shops employing ten, or sometimes even five workers. Companies under foreign ownership were also nationalized, and their directors were frequently convicted in show trials and incarcerated (as happened, for example, with the directorship of the Hungarian-American Oil Company Share Company).⁴⁴⁶ After the war, numerous Jewish companies, plants, and livelihoods were established anew, in which their owners tried to carry on their traditional professions. But nationalizations meant that, within a few years, the Hungarian government again set its hand on the property of its Jewish citizens.

To the same degree that the “hard” Communist dictatorship of Mátyás Rákosi and its “soft” successor under János Kádár refused to act in the matter of domestic compensation of its Jews, these governments were active in diplomatic efforts with the Federal Republic of Germany, successor of the Nazi regime. For decades, it was one of Budapest’s chief goals in dealings with Bonn to obtain some kind of financial or other economic support from the FRG under the rubric of compensation for Hungarian Jews. But here Hungarian diplomacy was in a rather difficult situation, in terms of both politics and international law, because Article 30, Item 4 of the peace treaty signed in Paris on February 10, 1947 specified that Hungary must renounce all material demands of Germany, including all government and private monetary and compensatory demands relating to the war.⁴⁴⁷ Hungarian goals were made even more difficult given the so-called Hallstein Doctrine, which stated that the Federal Republic of Germany would not enter into diplomatic relations with those countries that recognized the Communist German Democratic Republic as a sovereign state. This naturally applied to Hungary as a member of the Eastern Bloc. At the same time, German laws on restitution and compensation (with a few special exceptions such as the compensation for victims of pseudo-medical research) required that any foreigner to receive it must be a citizen of a country having diplomatic relations with the Federal Republic of Germany.

But, given these limitations, Budapest managed to maneuver very effectively. Over the course of a decades-long series of negotiations, the Federal Republic of Germany transferred enormous sums for compensa-

tion and restitution to Hungary for the victims of Nazism, even before diplomatic relations between the two countries were initiated in December of 1973.

Table 13: Sums for compensation transferred from the FRG to Hungary
(January 1, 1955–December 31, 1996)⁴⁴⁸

<i>Statute and categories</i>	<i>Amount (West German marks)</i>
Bundesentschädigungsgesetz (applied primarily to those who lived in Germany during WWII, and were expelled, or emigrated to Hungary)	3.997.137
Bundesrückerstattungsgesetz (Those who had demands as heirs, with at least one heir living in a country with diplomatic ties to the FRG.)	169.337
Pseudo-medical experiments	5.515.776
Forced labor in German companies	3.175.685
Total	12.857.935

But all this was merely a fraction of the sums that arrived in Hungary after the German–Hungarian agreement reached in January of 1971. These agreements were created primarily because the “New Eastern Policy” espoused by the German Social-Liberal coalition aimed at an expedient and reassuring settlement of questions of reparation. One such agreement handled the 6.25 million-mark compensation for victims of pseudo-medical research,⁴⁴⁹ and the other required the German government to pay the sum of 100 million German marks as compensation for valuables belonging to Hungarian Jews deported to the territory of the FRG or Berlin.⁴⁵⁰

It is unclear to this day how much of the transferred sums actually reached the survivors or family members of the victims, but is quite likely that only a small fraction of reparations reached those who were legally entitled to them. Although some payments were made, their extent is extremely questionable. A good indication of this is a 1964 memorandum of the Financial Institution Center, which indicates the need to collect the then-frozen German monies because “It would be a significant help in reaching our 50 million DM balance of payments.” The fact that it was mentioned on both the Hungarian and the German sides in the 1960’s to possibly have the Hungarian state “buy off” the sums fixed in the agree-

ment from German companies again hints that the Hungarian government had no intention of distributing incoming monies to those legally entitled to them.⁴⁵¹ There were also confidential notes on the agreements of January 1971, referred to tersely in the Ministry of Foreign Affairs report, which says that “they contain questions that apply expressly to the two negotiating parties.”⁴⁵² These documents have remained a state secret to this day, and researchers will not have access to them for decades to come. They probably treat the specific details of the fund transfers, and one may suspect they demonstrate that the Communist regime appropriated part of the reparation funds for its own use.

NOTES

- 1 For the precise figures see Braham 1997, 2.
- 2 Karsai, L. 1993, 37.
- 3 Endre's article was published in *Nemzeti Figyelő*, January 4, 1942.
- 4 Gyurgyák 2001, 103–107.
- 5 This question is analyzed in detail by Gyurgyák 2001, 111–116.
- 6 In details see later.
- 7 Braham 1997, 26 and 74.
- 8 Braham 1997, 74.
- 9 Berend, and Ránki 1974a, 339.
- 10 Berend and Ránki talk about “Budapest and ten municipal boroughs.” Between the two world wars there were 12 municipal boroughs including Budapest. These were: Baja, Budapest, Debrecen, Győr, Hódmezővásárhely, Kecskemét, Komárom, Miskolc, Pécs, Sopron, Szeged, Székesfehérvár. The 14.8 percent quoted by the authors refers to these 12 settlements. Bányai et al.1990, 2/188. Table II.
- 11 Figures quoted by Braham 1997, 76.
- 12 Kovács 2001, 85.
- 13 Karsai, L. 1993, 24.
- 14 Bartha 1940, 84.
- 15 Berend, and Ránki 1974a, 340.
- 16 Braham 1997, 77.
- 17 Ibid.
- 18 This statistics was published in *Magyar Zsidók Lapja*, September 23, 1943.
- 19 Romsics 1999, 156.
- 20 Karády 1985, 49.
- 21 Kovács 1938, 46–47. Braham, too, gives a similar estimate for the total size of landed property in Jewish ownership in 1942 (1.57 million cadastral acres). Braham 1997, 250. In reference to József Nagy, this estimate is believed to be an exaggeration by János Gyurgyák. Gyurgyák 2001, 164.

- 22 Romsics 1999, 189.
- 23 Kovács 1938, 50.
- 24 Karády 1985, 49.
- 25 Bosnyák 1943, 210–211.
- 26 *Magyar statisztikai évkönyv* 1935. 130.
- 27 Ferenc Chorin, who was the head of the Weiss–Chorin–Kornfeld–Mauthner Group during the war, converted to Christianity on May 30, 1919. He could not have foreseen then—luckily for him—that the Jewish Laws to be passed two decades later would designate August 1 as the end date for conversion giving exemption from these Laws. Chorin 1999, 27.
- 28 Berend, and Ránki 1974a, 328–329.
- 29 Berend, and Ránki 1958, 397–398.
- 30 Berend, and Ránki 1958, 124.
- 31 Berend, and Ránki 1958, 98. According to the authors, the appearance of cartels caused by high capital concentration went hand in hand with the appearance of the first signs of the “decaying of imperialism” (104.) In reality, the mushrooming of cartels was combined with a protectionist system of protective customs duties and export subsidies, a typical phenomenon for this period and for this region, and so it was not a wholly negative feature of Hungarian capitalist development.
- 32 Berend, and Ránki 1958, 184.
- 33 Bosnyák 1943, 213–215.
- 34 Romsics 1999, 191.
- 35 Bartha 1940, 100.
- 36 About the state of the Hungarian economy see Csikós Nagy 1996, 71, 85, 93.
- 37 Berend, and Ránki 1958, 132.
- 38 See Karády 1997, 236–237.
- 39 Quoted by Bosnyák 1943, 212–213.
- 40 “One-fifth of Hungarian land, and one-fourth of Pest tenements and national assets is in Jewish hands.” *Függetlenség*, April 17, 1938.
- 41 Matolcsy’s and Levatich’s calculations were published in Bosnyák 1937, 116–118.
- 42 Braham 1997, 531
- 43 Lévai 1946, 75.
- 44 “Húszmilliárd.” *Függetlenség*, April 23, 1944, 5.
- 45 The estimation of the value of the wealth of Jews is complex. The first post-war surveys estimated Hungary’s national assets at 50 billion pengős in 1943, i.e. the equivalent of 9.9 billion U.S. dollars. *Hungary’s War Losses. Summary Statistical Report*. MOL KÜM Béke-előkészítő (Ministry of Foreign Affairs, Division for the Preparation of Peace), roll 12.425, title 17, 2–3. According to Kovács’s above cited estimate from 1938, one-fourth to one-fifth of Hungary’s national assets were owned by Jews. Consequently, based on the official estimate of this damage in 1945–46, Jews were supposed to own 2–2.5 billion U.S. dollars worth of property in 1943, or the equivalent of 20–25 billion U.S. dollars at current value. The events of 1938–1943 changed these figures in contrary ways. Kovács’s calculations of the proportion of Jewish wealth from

total national assets were reduced by the ownership ratios of the territories re-annexed as a result of successful revision. While between 1938–1941 the value of the total wealth of Jews was increased by the property of Jews living on re-annexed territories, its ratio within total national assets did diminish, as the concentration of Jewish wealth was lower in the Upper Province, Carpatho-Ruthenia, North Transylvania and the Southern Province than in Trianon Hungary. The enforcement of Jewish Laws accelerated between 1941–1943, and thereby the position of Jews significantly weakened both in terms of value and as a ratio of total national assets. See in more detail later. In 1944 the German occupant army had free access primarily to the wealth of Jews who were arrested and deported, and evacuated a tremendous amount of Jewish wealth from Hungary. Evacuation affecting the entire Hungarian economy under Arrow Cross rule targeted nationalized, so-called Aryanized Jewish industry to an unfairly great extent. Consequently Jews, who in March 1944 still held a strong position in the Hungarian economy, had to bear a disproportionately high rate from the 22 billion pengő of the war loss of the total national assets of 50 billion pengő (as compared to their proportion of the population).

- 46 According to the last officially quoted exchange rate (March 1941): 100 pengő=19.77 USD. Schneider, Schwarczer, and Denzel 1997, 503.
- 47 Eizenstat, and Slany 1997, XXXIX.
- 48 Péchy 1937, 15.
- 49 According to Helen B. Junz, the total Jewish wealth in Trianon Hungary amounted to 3.7 billion pengő before the war. Her calculations based on published official Hungarian data so do not include the properties of extremely rich converts and the complete Jewish population living on the reannexed territories. This way she simply does not pay any attention to the analysis of the wealth of almost 400,000 Hungarian Jews. Junz 2002, 98–99.
- 50 Braham 1997, 77, and see the ownership statistics in the next chapter.
- 51 Calculations based on Nehemiah Robinson's figures in Zabludoff 2001, 50.
- 52 For the concrete calculations and figures see Junz 2002, 40, 51, 68, 107, 116, 125. In connection with the wealth of the Polish Jewry Zabludoff and Junz came to a very similar conclusion.
- 53 Hilberg 1985, 134–138. See also Zabludoff *ibid*.
- 54 Junz 2002, 84.
- 55 Zabludoff 2001, 61. Here the author erroneously believes that all 270,000 Jews living in France in September 1939 had French nationality, and so he thinks that only the 40,000–50,000 Jews arriving with a wave of immigrants in 1940 were not French nationals. Hilberg 1985, 614.
- 56 Zabludoff 2001, 50, 61.
- 57 Junz 2002, 107, 116. She also states that the Germans and their French collaborators "were able to catch" approximately FF 14 billion "over two-fifths of an approximate total of FF 32.6 billion in Jewish-owned assets." Junz 2002, 107.
- 58 Trigano 2001, 191. The French government decided to set up a Holocaust Memorial Fund in the late 1990s, with 2 billion French francs. This amount is

roughly identical with the 300 million U.S. dollars held by the French government after the war was over.

- 59 Zabludoff 2001, 50.
- 60 Aalders 2001, 289.
- 61 Junz 2002, 56–57, 68–69.
- 62 Zabludoff 2001, 57–58. A student of the Central European University (Budapest), Ester Krausova, estimates in a study the total wealth of Jews living on the territory of Czechoslovakia as it was known in 1937 at 1.2–2.88 billion GBP (i.e. higher), in reference to the publications of Avigdor Dagan, Livia Rotkirchen and Karl Baum, as well as German sources and statistics of the British Royal Institute of International Affairs. As in January 1939 the equivalent of 1,000 USD was 215.61 GBP, it is easy to calculate that 1 GBP was worth 4.64 USD. Schneider, Schwarczer, and Denzel 1997, 70. Based on this estimate, Krausova claims in reference to her resources that the value of the wealth of the 360,000 Czechoslovakian Jews was the equivalent of 5.568–13.363 billion USD in 1938–1939, and would be the equivalent of nearly 55.7–134 billion USD today. This is not possible, because if it was true then the Jews of Czechoslovakia would have owned 40–110 percent of the total wealth of 8 million Jews living on the whole territory of the vast European area under German occupation. Krausova 2002, 3–4.
- 63 Karsai, L. 2001, 176–178. See also Deák 2001, 131.
- 64 Hilberg 1985, 760–761, 780–781.
- 65 Zabludoff 2001, 50, 60.
- 66 Braham 1997, 683.
- 67 Demographic figures published in Braham 1997, 74.
- 68 A report on this was published in *A Nép*, August 15, 1918.
- 69 The circumstances and consequences of the birth of the *numerus clausus* are summarized in Ungváry 2001, 7–11. Budaváry's proposal is also mentioned by Braham 1997, 28.
- 70 For an analysis of the impact of the *numerus clausus* see Karády 1997, 86, 248–261.
- 71 Ungváry 2001, 10–13.
- 72 All this is made clear by László Endre's extensive correspondence. PML László Endre's documents XIV/2 1/a.
- 73 Endre's testimony. October 4, 1945. Endre–Baky–Jaross-case, TH V-79802.
- 74 Ibid.
- 75 Letter from Eckhardt to Endre. March 14, 1925. PML László Endre's documents. Box XIV/2 1/a 6, pallium 72.
- 76 Karsai, L., and Molnár 1994, 25.
- 77 Ungváry 2001, 14–15.
- 78 Ungváry 2001, 144.
- 79 For documents of such proceedings against Jews see PML László Endre's documents. P 1434, fascicle 1.
- 80 The Hungária Society was the fraternity of Technical University students. The Turul Alliance was established in 1919, and at the end of the 1930s it comprised nearly 80 fraternities of medical, arts and law students. Zsolt 1992, 172.

- 81 Kovács 2001, 147.
- 82 *Esti Kurír*, December 18, 1936. Article entitled “New incitement against Jewish traders.”
- 83 Kovács 2001, 123.
- 84 Confidential documents of the Sub-prefect of PPSK county. PML IV/401/A 1923/124.
- 85 PML IV/401/A 1923/34, and László Endre’s documents, MOL P 1434, fascicle 1. About accusations in the press see for instance *Pesti Napló*, March 8, 11, 12, 1925.
- 86 Cited by Gergely 2001, 230–232.
- 87 To evaluate Gömbös’s anti-Semitism and program see Vonyó 2001, 30–51, Ungváry 2001, 51, and Gergely 2001, 224–234.
- 88 Frigyes Wünscher’s investigation file 21, 91. BFL Nb. 1335/1946.
- 89 Ungváry 2001, 51.
- 90 This statistical information is published in Ferge 1998, 28–33.
- 91 Ferge 1998, 63–65, 72.
- 92 About Kovács in more detail see Ungváry 2001, 48–53.
- 93 Karsai, L., and Molnár 1994, 450.
- 94 For details and figures see Géza Varga’s article “Endre László birodalma.” *Gödöllői Hírlap*, December 25, 1937, and *Gödöllői Hírlap*, May 11, 1930.
- 95 Zinner, and Róna 1986, II/117.
- 96 Méhely is quoted by Dr. László Apor and Endre’s closest friend: Count Miklós Serényi. *Harc*, June 24, July 8, 1944.
- 97 Minutes of Endre’s testimony . October 5, 1945. Endre–Baky–Jaross-case, TH V-79.802.
- 98 Today it is easy to find the works of Bosnyák (and Kolosváry-Borcsa, Szálasi and other anti-Semitic theoreticians) in several Budapest book shops and many underground passageways. For a list of Bosnyák’s and Méhely’s publications see Gyurgyák 2001, 659, 691–692.
- 99 In detail about the birth and contents of the regulations introduced by Endre before 1944 on his own initiative, later declared unlawful and annulled by the Minister of the Interior, and the practice of bureaucratic and unlawful anti-Semitism see Vági 2002, 64–80.
- 100 Bosnyák 1935, 64.
- 101 Bosnyák 1937, 156.
- 102 Matolcsy 1938, 55–56.
- 103 Ungváry 2001, 84.
- 104 Szálasi’s speech made to the People’s Tribunal as his last word. BFL 293/1946 Szálasi-case, Item 11, 666.
- 105 Szálasi’s circular letter to Arrow Cross party units. July 30, 1937. BFL 293/1946 Szálasi-case, Item 27, 3670.
- 106 For a detailed summary Imrédy’s social-political reforms, the assessment of the Győr program and covert Aryanization see Ungváry 2001, 84–92. For a critique of the Győr program see Chorin 1999, 195–200. For the career of Albert Turvölgyi see “Néhány szó a zsidó vagyonok kormánybiztosáról.” *Egyedül Vagyunk*, June 16, 1944.

- 107 Minutes of the meeting of the Council of Ministers. December 1, 1939. MOL K 27, box 204.
- 108 Braham 1997, 129. As these figures were taken from the 1941 census, proportions obviously did not change as a result of re-annexation, only absolute figures did.
- 109 About the Jewish laws in more detail see Braham 1997, 129–133, 144–153, 192–193. Most of the original wording of these laws and their preamble is included in Vértés 1997. For an analysis of these laws see also Gyurgyák 2001, 135–158. On changes in the criteria used by Jewish laws and their comparative analysis with similar racial legislation in Germany see in English Hilberg: tables entitled Hungarian and German definitions of ‘Jew’ and Jewish Quotas in Hungary. Hilberg 1985, 800, 804.
- 110 According to the results of the 1941 census 61,548 Jews of the Christian religion lived on the territory of Hungary with its borders as they existed at the time. Kovács 1944, 95–108. According to Kovács, at least 40,000 Jews of the Christian faith remained hidden for various reasons, so everything taken together there were nearly 100,000 Hungarian Jews who were non-Israelites in terms of their religion. Braham, too, uses this figure 1997, 74.
- 111 Braham 1997, 74.
- 112 Ungváry 2001, 141.
- 113 Chorin 1999, 112.
- 114 *Magyar statisztikai évkönyv* 1935, 130; *Magyar statisztikai évkönyv* 1941, 92. *Magyar statisztikai évkönyv* 1942, 130.
- 115 Neighboring Austria probably served as an example, because following the country’s occupation Eichmann set up the Central Office for Jewish Emigration (Zentralstelle für jüdische Auswanderung) in Vienna, which succeeded to facilitate the flight of tens of thousands of Austrian and German Jews from the country in a few months. Eichmann made wealthy Jews pay a higher price for a visa and a higher exchange rate for the foreign currency they needed to travel abroad, using part of the proceeds to finance the migration of poorer Jews. In 1939 the same method was being successfully used in Berlin and Prague as well.
- 116 For Kultsár’s powers see Ungváry 2001, 100–102. About Kultsár’s activities and for a detailed critique of Aryanization corruption see Chorin 1999, 180–197.
- 117 Werth’s order is cited and the actions of the Hungarian army marching into re-annexed territories and of military administration are analyzed in Vargyai 2001, 119–153.
- 118 Minutes of meeting of the Council of Ministers. December 22, 1939. MOL K 27, box 204.
- 119 General documents of the Sub-prefect of PPSK county. PML IV/408/B 1941/62.023.
- 120 PML IV/408/B Folio 1942/6.
- 121 On the implementation of the Fourth Jewish Law see Ungváry 2001, 144–150.
- 121 According to Kállay, the rest was transferred into the property management of Országos Földhitelintézet (National Land Mortgage Credit Institute).

- János Gyurgyák estimated (based on József Nagy's figures) the size of expropriated land at 751,000 holds. Gyurgyák 2001, 164.
- 123 It was probably not a unique phenomenon that the Chief Notary of Szécsény (Nógrád county) described in February 1944 to the Vitéz' Chair of that county: "... the local 'vitéz' are constantly making claims for Jewish property holdings found in Szécsény and with a size of more than 5 holds but less than 100 holds, because no measures of any kind regarding these have been taken as yet." Letter from the Chief Notary of Szécsény to the Vitéz' Chair of Nógrád county. February 12, 1944. NML V.503. box 12, document 2530/1943.
- 124 Karády 1985, 48.
- 125 Karády 1985, 53.
- 126 Chorin 1999, 179–181 and 187–191.
- 127 Bosnyák 1940, I/150–155, 173–181, and II/9.
- 128 Bosnyák 1941, 180–223.
- 129 See the Chapter entitled "The future. The Third Jewish Law." Bosnyák 1941, 321–327.
- 130 Ungváry 2001, 152.
- 131 In reality only 2,000–3,000 at most of the 17,000–18,000 deportees sneaked back to Hungary. The rest were machine-gunned and buried in mass graves at the end of August 1941 at Kamenetz-Podolsk by the troops of SS-Obergruppenführer Friedrich Jeckeln.
- 132 For the exact figures see Karsai 2001, 78.
- 133 See the article entitled "Full evacuation! The necessity and advantages of having Jewish quarters." *Magyarság*, June 20, 1941.
- 134 In connection with Serényi see his writings published in *Harc*, and Ungváry, 2001, 150–151.
- 135 The documents of the Lajos Reményi-Schneller-case, 201. TH V-135/341.
- 136 Most of these are published in Vértess's already cited book. Vértess 1997.
- 137 Ormos 2000, 758–764. See also Braham 1997, 197–206, and Hilberg 1985, 296–299.
- 138 On the raid on Újvidék and its consequences see A. Sajti 1987, 152–168. and 174–188. Feketehalmy-Czeydner was the highest ranking foreign officer of the SS ever and was promoted to SS-Obergruppenführer, while Grassy became an SS-Gruppenführer (Lieutenant General) and was appointed to be the commander of the Hunyadi SS-Division, while Zöldi joined the Gestapo. Their case was reopened after the German occupation of Hungary and the accused were found not guilty.
- 139 Tamás Stark estimates the total number of the victims of the Újvidék blood bath, the Bor forced labor camp and the labor service at 25,000 people, and the number of those who died in Soviet prisoner camps at 20,000. Stark 1995, 76. László Varga calculates the number of labor service victims until the German occupation of Hungary at 40,000. Varga 1997, 518. Braham cites both the figures of the Hungarian Ministry of Defense (estimating the losses of "auxiliary forces" at 25,456 between 1941–1943) and the estimate published by the Statistical Department of the Hungarian Branch of the World

- Jewish Congress (the latter estimated that there were 42,000 victims among labor servicemen until March 19, 1944). Braham 1997, 324. and 1246.
- 140 According to Braham the Kállay government “firmly protected the interests of Jews with Hungarian citizenship,” and “gave them efficient protection.” Braham 1997, 256, 989.
- 141 After reviewing figures in several foreign policy documents, usually lower estimates are given by Karsai 2000, 350. From the reports of Hungarian diplomats we only know how many people registered themselves with the Consulate, so those hundreds of Jews who went in hiding or were deported were left out of the Hungarian registers. For example in France the German Ambassador knew about 1,570 people, the French authorities registered 2,065 Hungarian Jews, in November 1942 Hungarian Ambassador Binder still thought that there were 3,000 Hungarian Jews left, even though by that time many of them had been arrested or deported. We have more information from March 1943. Some of the information comes from a report by Andor Schedel. According to this report, most of the nearly 1,600 Hungarian Jews who registered themselves with the Germans escaped or were in hiding, so no more than 300–400 of them could be found. The Hungarian Chief Consul in Paris said in a report sent to Kállay on March 22 that he received from the French Police a list of the 2,000 Hungarian Jews registered by them, many of whom did not effectively have citizenship, but that this French list omits to include 1,000 Hungarian Jews who *are* included the records of the Hungarian Embassy. The difference between various estimates was made even wider because until November 1942 the territory of France controlled by Germany was divided into two zones: the Northern occupation zone and the French territories on the south with their center in Vichy and falling under French control. If were to include those already deported and those who were not registered either by the Hungarian, the German or the French authorities, and the number of people found in the southern districts occupied by Italy until 1943 (Nice and Savoy), then it turns out that the number of Jews with Hungarian citizenship or falling under Hungarian jurisdiction between 1940–1944 in prewar French territories was possibly as high as 4,000–6,000. MOL K70 KÜM Jogi Osztály (Ministry of Foreign Affairs, Legal Division) fascicle 281, IV d. 102, and Vár 50/Biz. On the number of Hungarian Jews living on the territory of other countries see for example Germany: K70 Jogi Osztály (Legal Division) fascicle 287, 3248/1943; Austria: K81 Bécsi Konzulátus iratai (Documents of the Consulate in Vienna) fascicle 516, “A magyar állampolgárságú zsidók ügyei”; Protectorate: Chief Consul Spányi’s January 11, 1944 report is cited by Braham 1963, 39–40. ; the Netherlands: K70 Jogi Osztály (Legal Division) fascicle 283, 4f-1943–1607; Belgium: Jogi Osztály (Legal Division) fascicle 281, IV d. 102.
- 142 László Karsai counted 667 names in 18 different repatriation lists during his research, but of these only 204 did verifiably return to Hungary before the start of German occupation. Karsai 2000, 365.
- 143 Karsai 2000, 361.

- 144 For instance Imre Ungár, the blind pianist and the winner of a Chopin competition, Sári Medák an opera singer, the sister of the Nobel Prize winner Professor Dirac of Cambridge and her Hungarian Jewish husband József Teszler. For similar examples see MOL K70 KÜM Jogi Osztály (Ministry of Foreign Affairs, Legal Division) fascicle 283, 4-f5366-1944, 4232-1943, 4595-1943, 28305/9-1942, etc.
- 145 MOL K 70 KÜM Jogi Osztály (Ministry of Foreign Affairs, Legal Division), fascicle 285. 4416/1943, and Karsai 2000, 344–345.
- 146 MOL K 70 KÜM Jogi Osztály (Ministry of Foreign Affairs, Legal Division), fascicle 285. 4416/1943.
- 147 The head of the delegated Financial Commission, Andor Schedel, estimated the wealth of Hungarian Jews living in France, the Netherlands and Belgium at 300–400 million French francs, 1 million U.S. dollars and 4–5 million Belgian francs by radically underestimating the number of Hungarian Jews living in Western Europe and admittedly based on incomplete property registers. In the light of other available documentation this is obviously an underestimation. Report on the findings of the delegation appointed to study aspects of the wealth of Hungarian Jews found in occupied Western territories. March 22, 1943. MOL KÜM Ausztria adminisztráció (Ministry of Foreign Affairs, Austria Administration). XIX-J-1-k-23/g-103219/10 a – 1946. On Austria and Germany see for instance the notes taken by Félix Borne-missza, the director of the Magyar Nemzeti és Szabadkikötő (Hungarian National and Free Port). October 26, 1938. MOL K 119 Külügyminisztérium, a Grazi Konzulátus iratai (Ministry of Foreign Affairs, Documents of the Graz Consulate), fascicle 10.
- 148 Report on the findings of the delegation appointed to study aspects of the wealth of Hungarian Jews found on occupied Western territories. March 22, 1943. MOL KÜM Ausztria adminisztráció (Ministry of Foreign Affairs, Austria Administration). XIX-J-1-k-23/g-103219/10 a, 1946.
- 149 For the documents of hundreds of cases regarding deported Hungarian Jews see the documents of the Legal Division. Manó Markovits, the owner of a 400,000 dollar saccharin factory in Rotterdam, was deported to Auschwitz by the Germans due to the delayed action of the Hungarian authorities, so his entire wealth was also lost. On Markovits see MOL K70 KÜM Jogi Osztály (Ministry of Foreign Affairs, Legal Division), fascicle 283, 5156-1941, fascicle 287, 4539/1943, and 8611/1943. The personal files of several dozens of Hungarian Jews (drawn up at the concentration camp) who were deported to the Auschwitz complex from Western Europe have survived. These include, for instance, the file of László Pollák, a furrier of Hungarian citizenship from Orosháza, aged 50, who was also a First World War veteran, who survived selection and was recorded by tattoo number 65019. Pollák's Personal File (Häftlingspersonalkarte). ABSM, D-Au II-2/3320, nr. 3260.
- 150 The Holitschers lost 52,000 francs, and Márton Liebermann lost 900,000 francs as a result of depositing their money. Upon arriving in Budapest, they repeatedly demanded their money back in vain from the Ministry of Foreign Affairs: Kállay did not give permission for repayment, even at the request of

- Károly Binder, the director of the Hungarian Chief Consulate in Paris. MOL K70 KÜM Jogi Osztály (Ministry of Foreign Affairs, Legal Division), fascicle 285, 5046/1943, fascicle 287, 1905/1943, fascicle 287, 126/b.
- 151 Lázár Goldberger's wife and two children aged 2 and 3 were deported by the Germans in 1942 from Mechelen. Desperately Goldberger started his private investigation and designated the following destination camps in a letter written in Budapest to the Ministry of Foreign Affairs about the details of trains used for deportation: "Birkenau bei Neu Berun-Oberschlesien, Jawischowitz bei Auschwitz-Oberschlesien, Monowitz- Oberschlesien, Auschwitz-Oberschlesien, Mechtel bei Beuthen-Oberschlesien, Tarnov bei Krakau GG, Tomaszow bei Lublin GG, Wlodawa bei Lublin GG, Theresienstadt-Protectorat, Blechhammer bei Heydebreck-Oberschlesien." MOL K 70 KÜM Jogi Osztály (Ministry of Foreign Affairs, Legal Division), fascicle 284, 5056-1943. On the same subject see also Braham 1963, 26–28.
 - 152 See Endre's decrees. MOL P 1434 László Endre's papers, fascicle 16.
 - 153 Lévai 1964, 87.
 - 154 Eichmann 1980, 333.
 - 155 Eichmann 1960a
 - 156 Karsai, L., and Molnár 1994, 46. In addition, Bosnyák and his team wrote several articles for *Cél* in the summer of 1941 on the contents of the "Jewish Codex" of Slovakia. See Ungváry 2001, 59.
 - 157 Karsai, L., and Molnár 1994, 44. He repeated the same during his testimony. Minutes of the testimony of Endre. October 10, 1945. Endre-Baky-Jaross-case, TH V-79802.
 - 158 Minister of the Interior's decree 230.900/1944 on the asset management of the wealth of absent Jews. Benoschofsky, and E. Karsai 1958, 141–142.
 - 159 Prime Minister's decree 1600/1944 on the declaration and seizure of the wealth of Jews. April 14, 1944. *Budapesti Közlöny* April 16, 1944.
 - 160 Circular of the National Alliance of Industrialists. April 22, 1944 Benoschofsky, and E. Karsai 1958, 223–224.
 - 161 Prime Minister's decree 1520/1944 on the self-governance of the Jews. April 19, 1944. *Budapesti Közlöny*, April 22, 1944
 - 162 Munkácsi 1947, 71.
 - 163 Many such decrees by the Minister of the Interior are found in the MZSML I 7/4–5.
 - 164 Karsai, E., and Szinai 1961, 685. In detail about the Weiss Manfréd-case see later.
 - 165 Prime Minister's decree 1800/1944 on the appointment of managers to certain industrial (trade) companies. *Magyarországi Rendeletek Tára* 1944, 783–784.
 - 166 Minutes of the meeting of the Council of Ministers. April 26, 1944. Benoschofsky, and E. Karsai 1958, 239.
 - 167 Minutes of the meeting of the Council of Ministers. June 1, 1944. Benoschofsky, and E. Karsai 1960, 145.
 - 168 Minutes of the meeting Council of Ministers. June 1, 1944. Benoschofsky, and E. Karsai 1960, 146.

- 169 Summary about the Government Commissioner's Office for Handling the Material and Financial Affairs of the Jews. MZSML I 8/4.
- 170 Minutes of the meeting of the Council of Ministers. July 19, 1944. Karsai, E. 1967, 218–221.
- 171 Minister of the Interior's decree 38.222/1944 III. May 13, 1944. MOL I roll 11.
- 172 MZSML I. 8/4.
- 173 Prime Minister's decree 2650/1944 on regulating of certain aspects of the Jewish wealth. July 21, 1944. *Budapesti Közlöny*, July 23, 1944.
- 174 *Budapesti Közlöny*, November 29, 1944.
- 175 Prime Minister's decree 1830/1944 on the registration and preservation of the Jewish works of art. *Budapesti Közlöny*, May 25, 1944. május 25.
- 176 For the increased German demands and the realized transports see Gerlach, and Aly 2002, 154–156, 177–180.
- 177 Gerlach, and Aly 2002, 151–153.
- 178 Gerlach, and Aly 2002, 180–186.
- 179 Word to word this is what Hitler has said: "...wenn in Ungarn Einheimische uns bei den Massnahmen gegen die Juden behilflich seien, wir vielleicht aus jüdischem Kapital diesen Einheimischen Dotationen geben könnten. Dadurch würde die Mitarbeit der Orstbewohner aktiviert werden" Telegram from Altenburg to Veessenmayer. 1944. május 17. Braham 1963, 160.
- 180 Gerlach, and Aly 2002, 203–207. For a detailed review of the German experts' work see Kádár, and Vági 2003.
- 181 The claims of the SEK see MZSML H- 1944. (Our attention was raised for the documents by Professor László Karsai.)
- 182 The recollection of Samu Stern. Schmidt 1990, 64.
- 183 The testimony of Miksa Domonkos. June 25, 1946, BFL IV/17166/1949. 159.
- 184 Lévai 1946, 93. The sentence is cited by Hilberg 1985, 824.
- 185 For the art looting of German, Arrow Cross and Soviet authorities see Mravik 1998; and Kádár, and Vági 2002.
- 186 The testimony of Rezső Kasztner. Nuremberg, September 13, 1945. Braham 1963, 911.
- 187 Munkácsi 1947, 39–40.
- 188 This happened for instance in Hatvan, where Krumej even had the nerves to scold the Hungarian guards, since they forced the Jews to hand in too little amount of valuables. The testimony of Dezső Dán. TH A/643/IV/33.
- 189 The recollection of the commander of the Kistarcsa internment camp, István Vasdényey, who was declared to be "Righteous Gentile" by the Yad Vashem Remembrance Authority, Jerusalem. MZSML I. 7/7. See also the testimony of László Barabás. MZSML T/77.10.
- 190 Huge number of documents of such cases are located in MOL I-series and the archival groups of different county archives.
- 191 The May 17 report of the *Kolozsvári Estilap* on Jaross's speech is cited by Lévai 1948, 138.
- 192 The letter of archbishop Serédi to the bishops. July 9, 1944. Karsai, E. 1967, 118.

- 193 Bill on the exclusion of Jews from the Hungarian public and economic life. May 19, 1944. Benoschofsky, and E. Karsai 1960, 69–75
- 194 Draft decree on the exclusion of the Jews from Hungary's economic life. June 2, 1944. Benoschofsky, and E. Karsai 1960, 152–155.
- 195 Prime Minister's decree 3840/1944 on Jewish Assets. November 3, 1944. *Budapesti Közlöny*, November 3, 1944.
- 196 Karsai, L., and Molnár 1994, 160.
- 197 Karsai, L., and Molnár 1994, 160–61 and 572.
- 198 See also Gerlach, and Aly 2002, 198–199.
- 199 Testimony of Jaross before the People's Court. December 1, 1945. MOL Endre–Baky–Jaross Case, XX-4/b, NOT, 118. d. 4419/45. 19.
- 200 MOL Endre–Baky–Jaross Case, XX-4/b, NOT, 118. d. 4419/45. 30b.
- 201 The May 17 report of the *Kolozsvári Estilap* on Jaross's speech is cited by Lévai 1948, 138.
- 202 *Magyarság*, May 18, 1944
- 203 Decree of the Minister of Agriculture. August 25, 1944. Karsai, E. 1967, 472–473.
- 204 The warning of Lieutenant General Béla Aggteleky is published in *Harc*, May 15, 1944.
- 205 The letter of Jaross to the other ministers and Sztójay. June 6, 1944. Benoschofsky, and E. Karsai 1960, 157–159.
- 206 The report of the Chief Constable of the Battonya district. May 23, 1944. MOL I roll 40.
- 207 Ordinance of the Mayor of Budapest no. 523926/1944 XXI. June 15, 1944. Vértés 1997, 328.
- 208 *Új Magyarság*, June 29, 1944.
- 209 Ibid.
- 210 For instance order no. 15.886 of the Mayor. May 24, 1944. Ságvári 1994 (Bács-Kiskun county), 58.
- 211 MOL I roll 13.
- 212 Report of the police office of Szekszárd. May 5, 1944. MOL I roll 11.
- 213 Government Commissioner's decree 1500/1944 on the liquidation of the stocks and equipment in the closed shops and plants of the Jews. August 18, 1944. MOL K 498 fascicle 1.
- 214 The most comprehensive collection of the liquidation protocols is located in MOL K 498 fascicle 8.
- 215 Protocol. May 26, 1944. Ságvári 1994 (Szabolcs-Szatmár-Bereg county), 62.
- 216 Government Commissioner's decree 3900/1944 on the collection and liquidation of the clothes and linen of the Jews. August 21, 1944. MOL I roll 72.
- 217 Appendix 3 to the Government Commissioner's decree 3900/1944. MOL I roll 72.
- 218 Minutes of meeting. October 5, 1944. MOL K 498 fascicle 3.
- 219 Minutes of meeting. October 31, 1944. MOL K 498 fascicle 3.
- 220 MOL I roll 30.
- 221 Notification of the Mayor of Nyíregyháza. September 1, 1944. Ságvári 1994 (Szabolcs-Szatmár-Bereg county), 70–71.

- 222 Minister of the Interior's Secret decree 6163/1944. Vértés 1997, 325–327.
- 223 See the whole document in Karsai, L., and Molnár 1994, 488–490.
- 224 Minister of the Interior's Secret decree 31.100/1944 XXI. res. May 15, 1944. MOL I roll 11.
- 225 Minister of Finance's decree 147.310/1944 VI. on the taking over of the Jews' movables seized by the administrative authorities and the inventory of the abandoned Jewish apartments, shops, warehouses. May 15, 1944. USHMM 1997. A. 0294. Reel 143. See also Minister of Finance's decree 47.379/1944 VI. on the safeguarding of the property of Jews isolated and allocated in collection camps. May 15, 1944. MOL I roll 11.
- 226 Ibid.
- 227 Report of the Deputy Notary to the Mayor. May 6, 1944. Ságvári 1994 (Csongrád county), 36.
- 228 Notification of Mayor of Kaposvár no. 9373/1944. May 2, 1944. Ságvári 1994 (Somogy county), 57.
- 229 Typical examples can be found in Benoschofsky, and E. Karsai 1958, Benoschofsky, and E. Karsai 1960; Karsai, E. 1967. The county archives hold huge amount of such cases. See for instance the documents of the Mayor of Gyöngyös. HML V-173. boxes 43–78.
- 230 Proposal to the Council of Ministers. June 9, 1944. Benoschofsky, and E. Karsai 1960, 166–167. The report of József Jankovich. June 9, 1944. Karsai, E. 1967, 124–125.
- 231 *Új Magyarország*, June 29, 1944. See also Benoschofsky, and E. Karsai 1960, 335–336.
- 232 Márai 1998, 156.
- 233 The report of Ferenczy. May 7, 1944. Karsai, L., and Molnár 1994, 504.
- 234 The report of Ferenczy. June 12, 1944. Karsai, L., and Molnár 1994, 517.
- 235 Tyekvicska 1995, 111.
- 236 The report of the Financial Commissioner of Csorna. January 13, 1945. Ságvári 1994 (Győr-Sopron county), 24.
- 237 The report of Veesenmayer. June 27, 1944. Braham 1963, 615.
- 238 Lévai 1948, 102.
- 239 Minister of the Interior's decree 6138/1944 BM VII. April 6, 1944. MOL I roll 12.
- 240 *Új Magyarország*, April 29, 1944.
- 241 Notification of the Minister of the Interior. May 16, 1944. Benoschofsky, and E. Karsai 1960, 52.
- 242 See for instance decree 5887/1944 of the Mayor of Kiskunhalas. May 27, 1944. Ságvári 1994 (Bács-Kiskun county), 35–37, or the decree of the Mayor of Szombathely May 9, 1944. Ságvári 1994 (Vas county), 40.
- 243 See for instance the report of May 5. Karsai, L., and Molnár 1994, 500.
- 244 Report of Ferenczy. May 6, 1944. Karsai, L., and Molnár 1994, 503.
- 245 Summary report of the gendarmerie no. 8929/1944 B. kt. May 30, 1944. MOL I roll 12.
- 246 Lévai 1948, 108.
- 247 Karsai, L., and Molnár 1994, 490.

- 248 Ibid.
- 249 Report of Ferenczy. May 3, 1944. Karsai, L., and Molnár 1994, 498.
- 250 Sentence of deputy Chief of Police, Jenő Borbola, February 18, 1949. (Baranya county) 28.
- 251 Report of Ferenczy. May 9, 1944. Karsai, L., and Molnár 1994, 505.
- 252 Protocol 724. MZSML DEGOB-protocols.
- 253 Protocol 1608. MZSML DEGOB-protocols.
- 254 Protocol 1538. MZSML DEGOB-protocols.
- 255 Protocol 1430. MZSML DEGOB-protocols.
- 256 Protocol 3477. MZSML DEGOB-protocols.
- 257 Protocol 1942. MZSML DEGOB-protocols.
- 258 Report of the Chief of Police of Ungvár to the Government Commissioner of Carpatho-Ruthenia. MOL I roll 11.
- 259 Gendarmerie decree. Ságvári 1994 (Szabolcs-Szatmár-Bereg county), 35.
- 260 Minister of the Interior's Secret decree 6754/1944 VII. April 21, 1944. MOL I roll 12.
- 261 Vincze 1996, 60.
- 262 Protocol 5. MZSML DEGOB-protocols.
- 263 Ibid and Braham 1997, 613. For the names of the staff of the Dreher bier factory "mint" see *ibid*.
- 264 Lőwy 1998, 115.
- 265 Munkácsi 1947, 84–85.
- 266 Protocol 3552. MZSML DEGOB-protocols.
- 267 Braham 1997, 616.
- 268 Protocol 2935. MZSML DEGOB-protocols.
- 269 Protocol 2. MZSML DEGOB-protocols.
- 270 Protocols 1533, 1970. MZSML DEGOB-protocols. For the Black Saturday see also Protocols 2930, 2902, 2150, 2. MZSML DEGOB-protocols and Lévai 1948, 102.
- 271 Vincze 1996, 70.
- 272 Protocol 2248. MZSML DEGOB-protocols.
- 273 Protocol 2219. MZSML DEGOB-protocols.
- 274 Protocol 5. MZSML DEGOB-protocols.
- 275 Protocol 38. MZSML DEGOB-protocols.
- 276 Lőwy 1998, 197.
- 277 Protocol 348. MZSML DEGOB-protocols.
- 278 The report of Ferenczy. May 3, 1944. Karsai, L., and Molnár 1994, 498.
- 279 The report of Ferenczy. May 7, 1944. Karsai, L., and Molnár 1994, 504.
- 280 The report of Ferenczy. May 10, 1944. Karsai, L., and Molnár 1994, 506.
- 281 The letter of Miklós Spitzer to the Sub-prefect of Zemplén county. July 10, 1945. Ságvári 1994 (Borsod-Abaúj-Zemplén county II), 49.
- 282 Lévai 1948, 108.
- 283 Summary report of the gendarmerie no. 8929/1944 B. kt. May 30, 1944. MOL I roll 12.
- 284 The letter from the Mayor of Hódmezővásárhely to the Financial Directorate of Szeged. 21 June, 1944. MOL I roll 79.

- 285 Braham 1997, 646–647; Recollection of Samu Stern Protocol 3627. MZSML DEGOB-protocols. State Secretary of the Ministry of Religion and Education Miklós Mester assigned to the film the fact that commander of the gendarmerie Gábor Faragho turned against Endre and Baky. Bokor 1982, 158. Although the existence of the footage seems to be certain, the copies are lost.
- 286 Eichmann 1960a.
- 287 Braham 1997, 648.
- 288 Horthy' letter to Hitler. July 17, 1944. Szinai, and Szűcs 1965, 468.
- 289 The investigative material of Mátyás Matolcsy. TH V-117.742
- 290 The letter of Jaross to Kunder. June 7, 1944. Benoschofsky, and E. Karsai 1960, 151.
- 291 Minutes of meeting of the Center of Financial Institutions. April 26, 1944. MOL roll 24.463.
- 292 Eichholz 1999, III/692.
- 293 Eichholz 1999, III/716.
- 294 Eichholz 1999, III/683.
- 295 The calculation is published by Gerlach, and Aly 2002, 217.
- 296 Regulations by the German Ministry of Economics of August 1933 concerning conditions for Ha'avara. Arad, Gutman, and Margalot 1999, 54–55.
- 297 Eichmann's letters to Obersturmbannführer Krüger of the German Ministry of the Interior, June 12, 1939 and to his colleague, Herbert Hagen, May 8, 1938. Arad, Gutman and Margalot 1999, 93–95 and 137–139. On the activities of the different Zentralstellen see Hausner 1984, 62–66 and 73–76.
- 298 This characteristic extract from the records of the highest level German discussions following the Crystal Night (Kristallnacht) and the text of Goering's decree are published by Arad, Gutman and Margalot 1999, 108–117.
- 299 Trigano 2001, 184–185.
- 300 Aalders 2001, 289–293.
- 301 Hilberg 1985, 867.
- 302 About the final organization structure of the SS-WVHA see Hilberg's table entitled "Organization of the WVHA." Hilberg 1985, 868–869.
- 303 The number of Jews killed in the camp under Globocnik's supervision was earlier estimated by the literature to be higher by 150–200 thousand persons. The reason for the change in the numbers is that the secret German radio messages tapped by the British were opened for research, and a summary report from January 1943 came to light which put the number of victims killed in Sobibor, Lublin-Majdanek, Treblinka and Belzec by the end of 1942 at 1,274,166. Witte, and Tyas 2001, 468–470.
- 304 NACP NMT The Pohl Case, roll 3/5, 1566–1567, and 1612–1613.
- 305 Testimonies of Vogt and August Frank in the Pohl Case. June 6–19, 1947. NACP, The Pohl Case roll 4/8 2811–2844 and roll 4/7 2556, 2276, 2282–2285. Also see the testimony of Oswald Pohl. NMT 5, 747–748.
- 306 On the Reinhard camps and the authorization of Globocnik, see Arad 1999, 14–22, and Arad 1984, 357–361. On Globocnik and the Lublin-Majdanek camp, see Marszalek 1986, 37–38, 81–84.

- 307 NO-062. NMT 5, 728–731.
- 308 Hilberg 1985, 954.
- 309 Frank's order on the "Utilization of Property on the Occasion of Settlement and Evacuation of Jews." NO-724. September 26, 1942. NMT 5, 695–697.
- 310 Ibid.
- 311 Sworn statement of SS-Hauptsturmführer Bruno Melmer. July 15, 1947. NACP, RG 260, FED, box 167. See also the testimony of Pohl's other subordinate, Georg Lörner. December 7, 1945. Mendelsohn 1982, vol. 17. 114. The value of currency, gold currency, and jewelry coming from 48 countries (33,740,451 marks) reached one third of the total income (100,047,938.91 marks) as early as February 2, 1943. This included only 16,435 Hungarian pengős, an insignificant amount, as the Hungarian Holocaust began in the following year. Mendelsohn 1982, vol. 12. 192–196.
- 312 NACP NMT The Pohl Case, roll 3/5, 1602.
- 313 Testimony of Reichsbank vice-president Emil Puhl. May 15, 1946. IMT vol. 13, 565–566.
- 314 Mendelsohn 1982, vol. 17. 108, 67–68.
- 315 NACP NMT The Pohl Case, roll 3/5, 1614.
- 316 Mendelsohn 1982, vol. 17. 70–71.
- 317 Melmer's Declaration in Lieu of Oath. February 18, 1948. no. NG 4983. Mendelsohn 1982, vol. 12. 188,190.
- 318 Ibid.
- 319 Ibid.
- 320 Testimony of Albert Thoms. May 15, 1946. IMT vol. 13, 603, 607; Hilberg 1985, 958–959.
- 321 Papers of Schwerin von Krosigk's Case. Mendelsohn 1982, vol. 18. 190.
- 322 Mendelsohn 1982, vol. 18. 189. On the mechanism of distribution of the loot see the Summary Monthly Report of U.S. authorities: "Further Evidence on Disposition of SS Loot by Reichsbank." May, 1945. NACP RG 260, OMGUS Ardelia Hall, box 449. On the basis of this particular document one can see how important a role was played during the melting down by DEGUSSA (Deutsche Gold- und Silber- Scheideanstalt).
- 323 Testimony of Albert Thoms. May 15, 1946. IMT vol. 13, 612.
- 324 Hilberg 1985, 958–959.
- 325 Testimony of Albert Thoms. May 15, 1946. IMT vol. 13, 602, see also Melmer's Declaration in Lieu of Oath. February 18, 1948. no. NG 4983. Mendelsohn 1982, vol. 12. 188,190–191. and Testimony of Reichsbank vice-president Emil Puhl. May 15, 1946. IMT vol. 13, 571.
- 326 See Hilberg's table entitled "The Administration of the Killing Center Loot." Hilberg 1985, 960–961, and the interrogation protocol of SS-WVHA Chief Oswald Pohl. Mendelsohn 1982, vol. 17. 120.
- 327 The testimony of Puhl. 16th of July, 1946. Cited by Kraus, and Kulka 1958, 140–141.
- 328 Kraus, and Kulka 1958, 150. Also see the testimony of Puhl in the interrogation protocol of Oswald Pohl. Mendelsohn 1982, vol. 17. 111.
- 329 NO-1040. NMT, The Pohl Case, vol. 5. 712.

- 330 Interrogation of Oswald Pohl. NACP, NMT, The Pohl Case, roll 3/5 title, 1572–1574.
- 331 NO-554. NMT, vol. 5, The Pohl Case, 723–725.
- 332 Interrogation of August Frank. NACP, NMT, The Pohl Case, roll 4/7 title, 2686–2687.
- 333 NO-554. NMT, vol. 5, The Pohl Case, 723–725.
- 334 For example: Deutsche Ausrüstungswerke (DAW), Deutsche Lebensmittel GmbH, Deutsche Erd- und Steinwerke GmbH, Golleschauer Zementwerk. The latter two belonged to the Deutsche Wirtschaftsbetriebe (DWB) concern-group. According to Pohl's estimation the value of this huge umbrella firm alone reached 20 million marks (8 million dollars). See interrogation protocol of Oswald Pohl. Mendelsohn 1982, vol. 17. 112. Other less important SS firms also belonged to DWB: Gemeinnützige Wohnungs- und Heimstätten GmbH (Dachau), Haus- und Grundbesitz GmbH (Berlin), Deutsche Hielmittel GmbH (Prága), Porzellan-Manufaktur (Allach-München) etc. Kraus, and Kulka 1958, 134.
- 335 For instance: Siemens-Schuckert Werke, Königs- und Bismarckhütte AG, Hermann Göring Werke, OSMAG und Ost-Maschinenbau, Fürstengrube GmbH, Ostdeutsche Baustoffwerke, Fürstlich Plessische Bergwerks AG, Vereinigte Oberschlesische Hüttenwerke, Vacuum Oil Company, IG Farbenindustrie AG (Buna Werke) etc. The list of companies see Piper 1995, 380–383.
- 336 3947-PS, and NG-5248. March 31 and December 16, 19, 1944. NMT, vol. 13, The von Weizsäcker Case, 343–345, 371–374.
- 337 The Zyklon B gas, originally used as a pesticide, was produced by the DEGESCH (Deutsche Gesellschaft für Schädlungsbekämpfung mbH) which had among its main shareholders the DEGUSSA (Deutsche Gold-und Silber Scheideanstalt) in charge of the sale of Jewish property and the IG Farbenindustrie, which was responsible for the death of tens of thousands of forced laborers in the Auschwitz area. TESTA added an irritating agent indicating the presence of the gas to the original DEGESCH product before selling it to the SS. See Hilberg's tables: "Share Holdings in the Extermination Industry," and "Production and Marketing of Zyklon." Hilberg 1985, 887–888. At the climax of the Auschwitz complex's operation—i.e. at the time of the extermination of the hundreds of thousands of Hungarian Jews in 1944—these companies realized a significant profit from the sales of Zyklon B. Hilberg 1985, 891–892, and Kraus, and Kulka 1958, 271–273.
- 338 Smith 2001, 112.
- 339 Smith 2001, 114.
- 340 Ibid.
- 341 Zabłudoff 2001b, 125 and 126–138.
- 342 Beker 2001, 151.
- 343 Beker 2001, 150.
- 344 Beker 2001, 147–149.
- 345 Beker 2001, 152.
- 346 Höss 1959, 195.

- 347 Extract from the third interrogation of Albert Thoms. No date. NACP PCHA document numbered 216031–216033.
- 348 Interrogation of Albert Thoms. April 18, 1945. NACP RG 56, entry 69 A 4707, box 80, file “Germany: Gold Currency, and Loot Recoveries—Discovery and Accounting.”
- 349 Ibid.
- 350 Statement of Albert Thoms, Merkers, Germany. April 13, 1945. NACP RG 56, entry 69 A 4707, box 80, file “Germany: Gold Currency, and Loot Recoveries—Discovery and Accounting.”
- 351 Interrogation of Albert Thoms. April 18, 1945. NACP RG 56, entry 69 A 4707, box 80, file “Germany: Gold Currency, and Loot Recoveries—Discovery and Accounting.”
- 352 Report of SHAEF Special Financial Division on the interview of Albert Thoms. June 2, 1945. NACP RG 56, entry 69 A 4707, box 80, file “Germany: Gold Currency, and Loot Recoveries—Discovery and Accounting.”
- 353 Hilberg 1985, 950. For a systematic modeling of the vertical hierarchy of different categories of camps and the head offices see Sofsky 1999, 28–43, 259–275.
- 354 Lasik 1996, 43–53. On Möckel see 50–51, and Hilberg 1985, 949–950.
- 355 Although on October 19, 1943 Globocnik officially declared the termination of the Operation Reinhard, it continued. The original objective of the action was the extermination of the Jews living in the Generalgouvernement; however, after the closing down of Belzec, Sobibor, and Treblinka some Jews were still alive in some of the camps of the region. The memoirs of Rudolf Höss, commander of the Auschwitz camp, make it clear that from a certain point of view the Operation Reinhard was extended to the largest extermination center, the Auschwitz-Birkenau complex as well. The camp complex was not located in the Generalgouvernement, but on Polish territory annexed by the Reich, i.e. officially in Germany. Most of the Jews killed here did not come from Poland but from other occupied territories of Europe (Benelux states, France, the Balkans, Hungary, the Reich). In spite of this, as in Majdanek, the robbing of the murdered Jews’ property was performed in the framework of the Operation Reinhard in Auschwitz-Birkenau as well. Höss 1959, 194. Within the Division IV—Administration headed by Möckel and its successor organ that was renamed in July 1943 (SS-Standortverwaltung Auschwitz—Administration of the SS Garrison Auschwitz) the main valuables taken from the deportees and sent to the SS-WVHA (precious metals, jewels, currency) were handled by the Administration of Prisoners’ Property (Häftlingseigentumsverwaltung). Lasik 1996, 174–178.
- 356 Piper 1996, 27.
- 357 Braham 1997, 741–743.
- 358 Braham 1997, 741. The arrival of Hungarian Jews was recorded secretly by the resistance movement of Auschwitz-Birkenau. See Transportlists, ABSM. D-RO/123, 106783.
- 359 KL Auschwitz II. Arbeitseinsatz für den 28 Juli 1944. 57 B- 61 B. Heizer Krematorium I-IV, Holzablander Krem IV. ABSM. D-Au II-3a.

- 360 Hilberg 985, 868.
- 361 Höss 1959, 192.
- 362 Broad 1997, 136.
- 363 A member of Sondereinsatzkommando Eichmann in Budapest, SS-Hauptsturmführer Dieter Wisliceny, heard it with his own ears from Höss, who arrived at Budapest in the summer of 1944 to negotiate with Eichmann. Wisliceny's testimony *Nazi Conspiracy*. Vol. VIII./608.
- 364 About the forced labor of Hungarian Jews, the losses caused by the evacuations and the transports sent to other camps from Birkenau, see Strzelecki 1995, 349–367, and also Piper 1995, chapters 5–6, 213–350.
- 365 Braham 1997, 742.
- 366 See cited order of August Frank.
- 367 Based on the recollections of the surviving physician of the Sonderkommando, who was Mengele's pathologist at the same time. Nyiszli 1994, 51.
- 368 Kraus, and Kulka 1958, 187.
- 369 Kraus, and Kulka 1958, 190.
- 370 According to the Auschwitz resistance, in May 1944, at the beginning of the extermination of the Hungarian Jews, the SS transported 40 kilograms of gold and platinum from the camp. If we assume that all the gold obtained in the first four months of 1944 (January–April) was transported from the camp at once, we can conclude that the 40 kilograms of precious metals came from 24,431–26,431 deportees (as this was the number of newcomers between January 1 and April 30, 1944). 3,800 of them arrived from Hungary. In this case from the Hungarian transports arriving just in May the SS could have obtained nine or ten times as much, i.e. 360–400 kilograms of gold. If the precious metals transported from the camp in early May were robbed from the 9–10 thousand deportees arriving in April, we may conclude—taking into consideration the increase in the number of Häftlings—that just in May 21–25 times as much, i.e. 840–1,000 kilograms could have been gathered by the SS. Another basis for calculation is that according to post-war investigations between May and December 1942 (with 186 thousand deportees) from the mouths of “only” 2,904 deportees 16,325 gold (or other precious metal alloy) teeth were extracted. According to Andrzej Strzelecki, a Polish expert on the topic, on average every tenth Häftling had a gold tooth weighing 5.35 grams on average, so by killing 100 thousand persons, the SS could acquire 53.5 kilograms of gold. This means that the extermination of the Hungarian Jews could have produced at least 150–200 kilograms of tooth gold. Strzelecki 1998, 258–259, and Strzelecki 2000, 404–406.
- 371 This is not only proven by the numerous recollections (the so-called DEGOB-protocols of the Hungarian Jewish Museum and Archives in Budapest). The same was experienced by the anti-tank artillery unit of a German military train that was sidetracked for a day near Auschwitz on its way from the Eastern front to the West. The testimony of one of the unit members is quoted by Gilbert 1985, 679–681.
- 372 Cited by Czech 1997, 541.
- 373 Strzelecki 2000, 167–168, and 406.

- 374 Arad 1999, 161.
- 375 Lasik 1996, 181, and Strzelecki 2000, 169.
- 376 Mendelsohn 1982, vol. 17. 113.
- 377 Summary Monthly Report. Further Evidence on Disposition of SS Loot by Reichsbank. May 1945. NACP RG 260, OMGUS Ardelia Hall, box 449.
- 378 Interrogation of Oswald Pohl . NARA, NMT, roll 3/6, title, 2016.
- 379 NMT, The Pohl Case, roll 3/6, title, 1946–1947.
- 380 NG-4096. NMT, vol. 13, The von Weizsäcker Case, 363–364.
- 381 NID-15534. NMT, vol. 13, The von Weizsäcker Case, 370.
- 382 NG-5248. NMT, vol. 13, The von Weizsäcker Case, 371–374.
- 383 See the above cited testimony of Thoms. IMT vol. 13, 605.
- 384 Moczarski 1981, 275. See also 302.
- 385 Hedin, and Elgemyr 2001, 202–203.
- 386 Statement of Albert Thoms, Merkers, Germany. April 12, 1945. NACP RG 56, entry 69 A 4707, box 80, file „Germany: Gold Currency, and Loot Recoveries—Discovery and Accounting.”
- 387 Ibid.
- 388 Interrogation of Albert Thoms. April 18, 1945. NACP RG 56, entry 69 A 4707, box 80, file „Germany: Gold Currency, and Loot Recoveries—Discovery and Accounting.”
- 389 Ibid.
- 390 For the American terminological troubles and concepts related to monetary gold, see the description of the history of the Gold Train.
- 391 Summary Monthly Report. Further Evidence on Disposition of SS Loot by Reichsbank. May, 1945. NACP RG 260, OMGUS Ardelia Hall, box 449.
- 392 Report No CC-1796 of Albert F. Mender Jr. from OMGUS to AGWAR on „Of Whole IRO Turnover Procedure,” September, 1947. NACP, RG 260, Decimal file, box 289. PCHA documents no. 217228–217230.
- 393 Summary Monthly Report. Further Evidence on Disposition of SS Loot by Reichsbank. May, 1945. NACP RG 260, OMGUS Ardelia Hall, box 449.
- 394 See later.
- 395 Report No CC-1796 of Albert F. Mender Jr. from OMGUS to AGWAR on „Of Whole IRO Turnover Procedure,” September, 1947. NACP, RG 260, Decimal file, box 289. PCHA documents no. 217228–217230.
- 396 Ibid.
- 397 Ibid.
- 398 For Thoms’s estimation see Summary Monthly Report. “Further Evidence on Disposition of SS Loot by Reichsbank.” May 1945. NACP RG 260, OMGUS Ardelia Hall, box 449. For Melmer’s estimation see Sworn Statement of SS-Hauptsturmführer Bruno Melmer. July 15, 1947. NACP, RG 260, FED, box 167.
- 399 Earlier (see chapter 5) we cited estimations that the aggregate wealth of the German and Austrian Jews to be 10–12 billion marks in 1938, while the German budget amounted to 153 billion in 1943–1944 and 171 billion in 1944–1945. The value of the German–Austrian Jewry’s property amounted

- to the 6–8 percent of the 1944 budget, whereas the total wealth of the Hungarian Jews equaled 2–300 percent of the Hungarian budget for 1944.
- 400 Gerlach, and Aly 2002, 212–214.
- 401 Draft bill on the exclusion of Jews from the public and economic life of the country. May 19, 1944. Benoschofsky, and E. Karsai 1960, 69–75.
- 402 Prime Minister's decree 3840/1944 on Jewish assets. November 2, 1944. *Budapesti Közlöny*, November 3, 1944. 2–3.
- 403 Memorandum attached to Minister of the Interior's Secret decree 6163/1944. April 19, 1944. Karsai, L., and Molnár 1994, 489.
- 404 Summary report of the gendarmerie no. 8929/1944 B. kt. May 30, 1944. MOL I roll 12.
- 405 Resolution of the Chief Constable. May 18, 1944. Ságvári 1994 (Borsod-Abaúj-Zemplén county I.), 61.
- 406 Resolution of the Chief Constable. May 18, 1944. Ságvári 1994 (Borsod-Abaúj-Zemplén county I.), 60.
- 407 Document no. 10.493/1944 of the Mayor of Makó. May 15, 1944. Ságvári 1994 (Csongrád county), 45.
- 408 Resolution of the Chief Constable. May 18, 1944. Ságvári 1994 (Borsod-Abaúj-Zemplén county I.), 61.
- 409 Order of Hugó Mészáros, Mayor of Szombathely. May 9, 1944. Ságvári 1994 (Vas county), 37.
- 410 Minister of the Interior's Secret decree 6163/1944. April 6, 1944. Published by Vértés 1997, 326.
- 411 For instance in Zala county, decree 18024/1944 Sub-prefect. May 4, 1944. Ságvári 1994 (Zala county), 21.
- 412 Document no. 10.493/1944 of the Mayor of Makó. May 15, 1944. Ságvári 1994 (Csongrád county), 43.
- 413 Order of Hugó Mészáros, Mayor of Szombathely. May 9, 1944. Ságvári 1994 (Vas county), 40.
- 414 Decree issued by the Sub-prefect of Pest-Pilis-Solt-Kiskun county. May 12, 1944. Ságvári 1994 (Bács-Kiskun county), 56.
- 415 Letter by the Sub-prefect of Bereg county to the Government Commissioner of the Carpatho-Ruthenian region. April 28, 1944. MOL I roll 12.
- 416 Resolution of the Chief Constable. May 18, 1944. Ságvári 1994 (Borsod-Abaúj-Zemplén county I.), 59.
- 417 Decree no. 24.297/1944 of the Sub-prefect. June 19, 1944. Ságvári 1994 (Zala county), 46.
- 418 Protocol 3550. MZSML DEGOB-Protocols.
- 419 Decree 10.334/1944 of the Sub-prefect. May 22, 1944. Tyekvicska 1995, 93.
- 420 Letter of the Mayor of Ungvár. April 24, 1944. Karsai, L., and Molnár 1994, 535.
- 421 Minister of the Interior's decree 38.222/1944 III. May 13, 1944. MOL I roll 11.
- 422 Ibid.
- 423 Minister of the Interior's decree 38.222/1944 III. May 13, 1944. MOL I roll 11.
- 424 Order no. 11.856/1944 of the Mayor. August 5, 1944. MOL I roll 74.

- 425 Order no. 11.969/1944 of the Mayor. June 22, 1944. SÁGVÁRI 1994 (Csongrád county), 63–64.
- 426 Letter by the financial director of Szombathely to the Sub-prefect of Vas county. July 24, 1944. SÁGVÁRI 1994 (Vas county), 53.
- 427 Decree 16.101/1944 of the Mayor. August 16, 1944. SÁGVÁRI 1994 (Zala county), 44–45.
- 428 Letter by Miklós Bonczos to the Sub-prefect of Pest-Pilis-Solt-Kiskun county. August 16, 1944. SÁGVÁRI 1994 (Pest-Pilis-Solt-Kiskun county), 56–57.
- 429 Letter by the government commissioner to all the financial directorates. June 25, 1944. Karsai, E. 1967, 260.
- 430 Testimony of István Mingovits. October 26, 1945. TH V-38.734.
- 431 Proposal to the Council of Ministers. November 2, 1945. Szűcs 1997, B/554.
- 432 Order no. 25/1945. February 20, 1945. SÁGVÁRI 1994 (Zala county), 62–63.
- 433 Inter-ministry Minutes, October 31, 1944, MOL K 498, fascicle 3.
- 434 We shall treat this in detail later.
- 435 Botos 1999, 268. Details of the removal of the HNB valuables were mentioned several times during the testimony and trial of Lajos Reményi-Schneller. Reményi was found responsible during the trial of former Prime Minister Döme Sztójay and his associates. For his testimony see BFL 628/1946 (Sztójay trial).
- 436 Botos 1999, 271–272.
- 437 Botos 1999, 279.
- 438 Botos 1999, 280.
- 439 Notice from the directorship of the Hungarian National Bank to the American military authorities, May 29, 1945, Alford Collection, 349–357. Kenneth D. Alford is an American researcher on the Gold Train and the HNB train who in recent years has collected many documents touching this subject. He has made these available to the authors, who would like to thank him again here for his help.
- 440 Notes from the meeting of the Prime Minister and Hungarian Jewish leaders. MOL KÜM Béke-előkészítő (Ministry of Foreign Affairs, Division for the Preparation of Peace), roll 12.426, title 37, 79.
- 441 Overview of the property rights demands regarding the Federal Republic of Germany, December 15, 1972. MOL KÜM TÜK NSZK 1972, box 79, document 00651/4.
- 442 For the American decision, see JCS's letter to CG USFA. March 26, 1948. NACP RG 260, entry 113, box 21, file C-9-1, "Gold found in Austria"; also the report of the USFA-RDR Division to OSCAD CITE ECON. August 1948, NACP RG 260, entry 113, box 21, file C-00-10, "Cables and Policy."
- 443 Edwin L. Johnson's (USFA-RDR) letter to OSCAD CITE ECON. May 1948. NACP RG 260, entry 113, box 21, file C-00-10 "Cables and Policy."
- 444 Edwin L. Johnson's (USFA-RDR) letter to OSCAD CITE ECON. June 1948. NACP RG 260, entry 113, box 21, file C-00-10 "Cables and Policy."
- 445 Ibid.
- 446 Romsics 1999, 308–309.
- 447 Gerő, 308.

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- 448 Notes of the Foreign Ministry. March 7, 1967. MOL KÜM TÜK NSZK 1967, box 71, document 00332/5/1967.
- 449 Agreement between the Federal Republic of Germany and the Hungarian People's Republic. January 22, 1971. MOL XIX-J-i-j KÜM TÜK NSZK, 1971, box 80, document 00486/2/1971.
- 450 Vereinbarung zwischen der Bundesrepublik Deutschland und der Landesorganisation für Interessenvertretung der Nazi-Verfolgten. January 22, 1971, MOL XIX-J-i-j KÜM TÜK NSZK, 1971 box 80, document 00651/1/1972. The agreement gives three deadlines for payment of the sum of 100 million: 34 million by January 15, 1972; 33 million by January 15, 1973; and 33 million by January 15, 1974.
- 451 Notes by Kersting, Deputy Director of the FRG's Foreign Trade Office, on his visit to the Ministry of Commerce in Budapest on April 8, 1968, MOL XIX-J-1-j KÜM TÜK. 1968, box 69, document 006452/2/1968; also in notes of the Ministry of Foreign Affairs. August 8, 1969, MOL XIX-J-1-j KÜM TÜK NSZK, 1969, box 72, Document 002119/7/1969.
- 452 Report of the Hungarian Commerce Bureau in Cologne to the Minister of Foreign Affairs. January 26, 1971, MOL XIX-J-i-j KÜM TÜK NSZK, 1971, box 80, document 00486/1/1971.

Legend and Reality: The Story of Kurt Becher

I. THE CHARACTER AND THE SOURCES

Writings about the Holocaust mention several controversial German SS officers. For example, historians are divided even today about the actions of SS General Werner Best, the German Plenipotentiary of the Reich in Denmark. According to Hans Kirchhoff, in the fall of 1943, when it was about time to start the deportations to German camps that Hitler was anxious to speed up, Best deliberately leaked the deportation plan, and so did a great deal to help the flight of 90 percent of a less than 8,000-strong Danish Jewish population across the sea to Sweden before the raids began.¹ Best's biographer, Ulrich Herbert, believes that while Best was undoubtedly an anti-Semite, he was indifferent to whether Jews left Denmark by deportation or by flight. In his opinion, Best only cared about the final result, namely the de-Jewification of the country.² Hungarian Holocaust researcher László Karsai points out that failure to implement the deportation of the Jews in this case was the result of a combination of several fortunate circumstances, including the reluctance of the Wehrmacht and the Navy (Kriegsmarine) to cooperate in the slightest, and a warning given to the Jews by the Danish policemen who accompanied the SS soldiers. So Best's alleged assistance was no more than one of several contributing factors at most.³ A Hungarian historian, Pál Pritz, writing on Best's ideas for Europe, described Best as a mass murderer, in comparison with whom Eichmann "was a character of far lesser importance." True, he applied this to Best not for what he did in Denmark but for his earlier actions.⁴ Whatever the case may be, Best's assistance of the Danish Jews was an important factor in commuting his death sentence in 1948 to 5 years imprisonment by a higher court ruling. After re-trial he was finally sentenced to "only" 12 years in prison. Best's imprisonment was ended by a pardon in 1951 from the Danish king, and Best was allowed to return to Germany.⁵

Similarly controversial views exist about SS-Obersturmführer (First Lieutenant) Kurt Gerstein. In the 1930s the Gestapo twice arrested the deeply religious Gerstein on charges of subversion against the state, for a short time on each occasion. When Gerstein found out about the euthanasia program, and discovered that his own sister-in-law had died in such an institution, he decided to get to the bottom of what was going on. He joined the SS in 1941 and soon worked his way into the Hygienical Institute of the Waffen-SS. During the next few years he worked as a disinfection officer, and in that capacity played an important role in supplying Zyklon-B gas for extermination camps; so indirectly he contributed to the destruction of the Jews. In the same capacity he personally witnessed gassings in August 1942 at two Polish death camps, Belzec and Treblinka. On his train journey home, Gerstein ran into Baron von Otter, Secretary of the Swedish Embassy, whom he told in detail about everything that he had seen. Later, he tried to inform the Vatican via the Catholic bishop of Berlin, and tried to slow down the massacre by ordering some Zyklon-B supplies to be buried, claiming that their quality had deteriorated.⁶ Yet, it did not stop him from ordering the removal from Zyklon-B of an irritant which was meant to warn about the gas' presence, in order to accelerate its lethal effect. Like his life, Gerstein's death has an air of mystery: in 1945 he was arrested by the French army and surprised his interrogators by giving very detailed testimony, only to be found hanged in his cell a few days later. Gerstein's controversial actions were subsequently evaluated in very varying ways. On the one hand, the German writer, Rolf Hochhuth, cast him as the main hero of his much disputed drama *Der Stellvertreter*, published in 1963, and in a positive role as having resisted the Nazis, on the other, Hilberg, the most well-known Holocaust researcher in the US, while not omitting to note his role in the burying of some Zyklon-B supplies, portrayed him primarily as a significant cog in the extermination machine.⁷ U.S. psychologist Robert Jay Lifton created a kind of synthesis from these two views, saying that Gerstein's schizoid behavior was perhaps the most extreme example of the "Faustian doubling" of the personality so characteristic of the SS physicians in the death camps.⁸

Like Best and Gerstein, Kurt Becher is another controversial figure in the history of the Holocaust: there is no other German whose 1944–1945 role would prove more difficult to assess than his. In the course of the polemics about Becher over several decades some have called him a

mass murderer,⁹ while others have believed that he was the greatest rescuer of history.¹⁰ Even today there are still more uncertainties about his actions than undisputed facts. In the following pages we will try to come to grips with these issues, and—while believing that still more research is needed—will try to give some cautious and approximate answers.

Over the last few decades two serious works have been published on Becher. One was a book published in 1966 by the Hungarian author Jenő Lévai, *A fekete SS fehér báránya* (The White Lamb of the Black SS)¹¹ and the other was a series of articles by the Swiss journalist Kurt Emenegger, published in the magazine *Sie und Er* in 1962–63, entitled *Reichsführers Gehorsamster Becher* (Reichsführer's most obedient Becher).¹² New York Professor Randolph L. Braham, author of the only comprehensive monograph so far on the Hungarian Holocaust, of course also mentions Becher, but his book does not specifically focus on him or try to clarify issues related directly to him. More or less the same can be said about Yehuda Bauer, the Israeli scholar and one of the most well-known international experts on the dialog between Nazi Germany and Jewish organizations.

Lévai's research was very thorough, and he had access to many important documents, but his underlying thesis, which is biased in the extreme, heavily compromises his book. As he makes no reference to sources whatsoever, Lévai's assertions can be taken for granted only if they can be doublechecked against some other reliable source. Lévai's assertions often turn out to be imprecise, and there are even examples of deliberate misquotation, in other words where he falsifies the facts.¹³ While Emenegger, too, adopts a very emotional approach to Becher's character, the documents he quotes can be accepted as reliable. Therefore in the following we will rely on Lévai's work as little as possible, and even then with due caution, and will use Emenegger's series of articles only when the author quotes sources that are now otherwise unknown.

Finding out the truth is made even more difficult because Lévai and Emenegger worked closely together on their books. This is indicated not only by Lévai's thanking "Kurt Emenegger, the Swiss journalist, for his valuable assistance in my foreign research over many years" in the foreword of his book,¹⁴ but also by the many similarities in their works, in terms of style, visual elements, and structural components. Emenegger was impressively well-informed about Hungarian matters, while the Hungarian Lévai, who had already published several monographs by that time, several of which appeared in foreign language editions, went to

Israel in 1961 as an official witness in the Eichmann case (only to—allegedly—lose all his documents at the airport on the way and finally to be treated with almost complete indifference), and often supported the ideology of the Communist regime by his frequent criticism of the Americans and West Germans. But for the very reason of this collaboration between the two authors, and in the absence of firsthand sources, the historian and researcher has to treat their mutually confirming and often apparently biased assertions with strong suspicion.

In writing this book we at times had recourse to two further works. One is a book by Karla Müller-Tupath published in 1999, its main title identical with Emenegger's series of articles (*Reichsführers gehorsamster Becher*) but subtitled *Eine deutsche Karriere* (A German career).¹⁵ The other is a book written in 1962 by two Hungarian journalists, István Pintér and László Szabó, *A hóhérok nyilatkoznak* (Interviews with the Hangmen) first published in a German edition in Budapest in the previous year under the title *Unbestrafte Kriegsverbrecher* (Unpunished War Criminals).¹⁶ Müller-Tupath's book—essentially an expanded version of the 1982 edition by the same title—is useful particularly in relation to Becher's life on the front in 1941–1942. The 230 footnotes to this book only exceptionally make reference to Hungarian sources, and even the few that do are mostly quoted by the author from the writings already mentioned above.¹⁷ We need to be extremely cautious in our treatment of Pintér and Szabó's book, which includes an interview with Becher from the early 60s, because it is clearly influenced by Hungarian Communist state propaganda. When the Eichmann trial was taking place in Jerusalem, these two journalists, working for a Communist party newspaper, were allowed to travel to West Germany to seek out and interview once prominent Nazis who had worked in Budapest, in support of the contention that Adenauer's "revanchist" Germany was a paradise of Nazi murderers who escaped punishment. The Hungarian authorities who allowed Pintér and Szabó to go abroad were motivated by the same ideology that later made possible the cooperation between Lévai and Emenegger. Historians of today should read their book, which was originally written for propaganda purposes and was even published in a German edition sponsored by the Hungarian Communist leadership, with extreme skepticism.

2. SOLDIER, BUSINESSMAN, BUREAUCRAT, MASS MURDERER? BECHER'S CAREER UNTIL 1944

Kurt Becher was born on September 12, 1909 in the German sea-port of Hamburg. After finishing his schooling he worked as a grain and fodder salesman.¹⁸ In 1934 he joined the SS-Reitersturm, a new SS cavalry unit, his SS registration number was 234.478.¹⁹ In May 1937 he joined the National Socialist German Workers' Party (NSDAP).²⁰ In 1938 he trained with the 1st SS Death Head Regiment (SS-Totenkopf Standarte), and upon the outbreak of the war was—according to Becher—recruited in September 1939 from Hamburg to the same unit in Oranienburg.²¹ One point is not entirely clear in this: Oranienburg was the official headquarters of the 2nd (“Brandenburg”), and not the 1st Death Head Regiment.²² Yet, the 1st Regiment is recorded on Becher's military service card, whereas according to the officer's files of his military academy, Becher served in the 2nd Death Head Regiment in 1939.²³ However, the real question about 1939 is whether or not Becher—regardless of being enlisted in the 1st or 2nd Death Head Regiment—took part in atrocities committed by these units against Jews and Poles during the Polish campaign, where these actions were masked as “police measures.” Becher repeatedly said in his testimony that he was in Poland when Germany invaded, but that his regiment played no major role in these events and did not get involved in the fighting.²⁴ He answered negatively the question about his “involvement in the Polish campaign” (“Teilnahme Polenfeldzug”) in his Officer's File at the military academy.²⁵ It is unlikely that in 1940 Becher would have had any reason to conceal his involvement in the fighting against the “Untermenschtum” (inferior species). At the same time, as will be shown later on, it is always difficult with Becher to obtain a clear answer even to such relatively marginal questions. In March 1946, Becher admitted during a hearing in Nuremberg that his regiment did take part in house-raids in Poland: “The only thing that I know is what I have already told Captain Gutman [one of the U.S. officers interrogating Becher G. K.–Z. V.], that in one particular town my platoon or company at one time undertook the searching of houses for weapons because the town people had been firing on units of our army from the windows. That is the only thing I knew about it.”²⁶ This is an example of the cover-up and misrepresentation so typical of Becher, as he fails to say a word about the

mass executions which usually accompanied such operations. It is not clear whether it was Polish soldiers, armed civilians, or Jews that the SS were looking for, nor is it clear from Becher's words whether or not he personally took part in the raid. It is difficult to see clearly into these matters, because in Poland Becher was first the Platoon-Commander of the 1st Cavalry Squadron of the 1st Battalion ("Zugführer in der 1. Schwadron des 1. Halbregiments") and according to Commander Fegelein's report to SS General Krüger, Becher's unit was "fully involved in the executions" in Warsaw.²⁷ Reports written by his superior about Becher are also unclear about his involvement in the Polish campaign. We learn from the recommendation for Becher's promotion to SS-Obersturmführer (September 20, 1941) that he had been a member of the 1st SS Cavalry Regiment since September 6, 1939, whereas six month later the same commander wrote in support of Becher's promotion to SS Captain (SS-Hauptsturmführer): "Involvement in military action: the Polish and Russian campaigns" (Teilnahme an Kampfhandlungen: Polen- u. Russlandfeldzug).²⁸ Whatever the case may be, one thing is certain, that the SS Cavalry played an important role in the atrocities committed against Polish intellectuals and Jews, and that Becher must have been aware of this.

After a few weeks Becher's unit was withdrawn from Poland and sent back on leave to Oranienburg, and later to Dachau near Munich. Soon thereafter Becher was hospitalized (most probably due to a skin disease), and was released only in February 1940.²⁹

In the spring of 1940 Becher joined the 1st SS Cavalry Regiment (SS Reiterstandarte) in Warsaw. The time spent in Warsaw clearly played a crucial role in Becher's future career. For it was here that Becher had the luck to run into Waldemar Fegelein, the younger of two brothers whom he first came in contact with before the war in the SS Cavalry. By this time, Waldemar Fegelein was already an SS-Hauptsturmführer (Captain) and headed the 1st Squadron whose headquarters were located by the Warsaw racecourse.³⁰ The elder brother, Hermann, was SS-Standartenführer (Colonel) in command of the Cavalry Regiment. Reviving this old acquaintance gave Becher, a non-commissioned officer, influential patrons at his new service post. The elder Fegelein sent Becher in March to the military academy (Junkerschule) in Bad Tölz, and thereby opened the way for Becher to become an SS officer.³¹ Upon returning to his regiment in late 1940, Becher became a platoon-commander with the rank of SS-Oberscharführer (Sergeant-Major) of the 1st Cavalry Squadron

commanded by Waldemar Fegelein. Lévai and Emenegger accept—on no other basis, it seems, than Eugen Kogon’s *Der SS-Staat*—that soon after completing a thorough training, Becher started to work directly for the Battalion Commander of the Cavalry Regiment, SS-Sturmabführer (Major) Albert Fassbender (nicknamed “Sweetie”—“der Süsse”—because he was the son of a well-known German chocolate-maker). “Sweetie” allegedly with the knowledge and approval of the Commander of the Cavalry Regiment Hermann Fegelein threw himself with great zeal into exploring emerging business opportunities and soon Aryanized the business and inventory of Maximilian Apfelbaum, a Jewish fur exporter, at a fraction of its value (50,000 instead of 40 million marks).³² To date we have not been able to confirm Kogon’s story from other sources. In any case, it is certain that on January 30, 1941—the 8th anniversary of the Nazi takeover—Becher finally got what he so much wanted: he was promoted to SS-Untersturmführer (Second Lieutenant) and became an SS-officer. Evidently the Fegelein brothers played a major role in the rapid rise of Becher’s career.

His stay in Warsaw had clearly been to Becher’s advantage, as he managed to rise from non-commissioned officer to officer in less than a year without any particular achievement to merit his promotion. We do not know whether Becher played any role in the Aryanization activities of his commanders in Warsaw, but Lévai and Emenegger are clearly exaggerating when they interpret these months as a period of deliberate preparation for Becher’s future role in Hungary. One obvious proof of this is that when Fassbender wanted to Aryanize the Apfelbaum Company in Warsaw he took it into “trusteeship” (Treuhand) whereas it did not occur to his alleged disciple to use the same tactic when he set out to acquire the Weiss Manförd property in Hungary in the spring of 1944. Indeed, the trusteeship method was suggested to Becher by his lawyer only after many rounds of talks with Ferenc Chorin, his Jewish partner, whereas Becher had been considering various leasing schemes before that.³³ (Treuhand, a method frequently used by the Nazis across Europe, for example in occupied France and the Netherlands).³⁴

Lévai was also far off the mark when he wrote that Konrad Morgen, the SS judge in charge of investigating the Fassbender-Fegelein deal, “fell from Himmler’s grace” for presenting embarrassing findings, and was even “called off the case, and was never put on a major case ever again.”³⁵ The truth is quite different. In 1943–1944 there took place the most far-reaching anti-corruption investigation in the history of the SS.

Headed by SS-Sturmbannführer Morgen, it covered the entire network of camps and reviewed the criminal activities of 800 SS-officers. With Himmler's permission Morgen and his investigators were admitted to Lublin-Majdanek and after Buchenwald, Dachau, Flossenbürg and Sachsenhausen, even to Auschwitz and the Birkenau extermination camp. The investigation resulted in the execution of two camp commandants, the sacking or relocation of some others, and the arrest of many, including Grabner, the head of Gestapo in Auschwitz, and Amon Göth, the sadistic commandant of Plaszów portrayed in Steven Spielberg's *Schindler's List*.³⁶ The purge reached even Rudolf Höss, the founder of Auschwitz-Birkenau, who was forced to resign; however, in recognition of his merits and because of his excellent contacts inside the Party, Höss was subsequently promoted sideways to Inspector of the Concentration Camps. The scope of the investigation, of course, did not (nor was it allowed to) include mass exterminations, so the charges brought by Morgen were limited to the misappropriation of Jewish assets and the committing of unauthorized, and consequently "illegal" executions.

In May–June 1941 Himmler placed two SS brigades under the control of his own headquarters staff (Kommandostab Reichsführer SS), i.e. under his own personal control. The headquarters staff now incorporated all SS cavalry regiments and the Voluntary SS Regiment of Hamburg. Himmler amalgamated the cavalry regiments into the SS Cavalry Brigade (SS Kavallerie-Brigade) and later appointed Hermann Fegelein as their commander.³⁷ Consequently, Becher participated in the campaign against the Soviet Union as a member of a nearly 4,000 strong cavalry brigade, and recalled in 1961 that his unit was involved in "heavy fighting" in the fall of 1941.³⁸

The "heavy fighting" in which this brigade took part mostly involved the "pacification" (Befriedungsaktion) and "cleansing" (Säuberungsaktion) of the territories concerned, i.e. atrocities against Jews and other civilians. Territories which the special action units (Einsatzgruppen) reporting to the RHSA failed to "pacify" and "cleanse" for technical reasons were attacked by a second wave of Kommandostab units reporting directly to Himmler. Such regions included for instance the environs of the Pripet Marshes, to which significant Soviet troops retreated in mid-July in order to try to hold up the Germans from behind the Dnepr and the "Stalin Line" developed in the 1930s. By August, Soviet units fighting in the Pripet Marshes were encircled in the battles around Smolensk and Rostov. The killings over this vast area were first started by Einsatz-

gruppe B under SS-Brigadeführer (Brigadier General) Nebe, head of Office V of the RSHA, the so-called Kriminalpolizei or Kripo (Criminal Police). They were followed up by police squads commanded by Higher SS and Police Leader of the region (Höhere SS und Polizeiführer Mitte) von dem Bach-Zelewski.³⁹ On July 28 Himmler formally put the SS Cavalry Brigade under Bach-Zelewski's command, but two days later Himmler himself took over the control at Bach-Zelewski's headquarters. Himmler phrased his order with brutal frankness, which made it clear that the main emphasis was not on breaking the resistance of encircled Soviet troops, but on destroying the local Jewish population: "Jewish men must be executed, while women and children are to be driven into the marshes."⁴⁰ The SS Cavalry Brigade fought its first hard "battle" between July 29—August 12, 1941. According to SS-Standartenführer Fegelein's report, more than 14,000 Jews, 1,000 partisans, and 700 Soviet soldiers were killed at this time.⁴¹ One SS officer in Pinsk actually called Himmler's order impractical, because in several places there were serious technical obstacles in the way of driving Jewish women and children into the marshes, namely that the marshes were not deep enough, and the victims did not drown.⁴² As Fegelein's Brigade moved to the East, the killings continued. In early September SS troops took control of the territory between the Pripet Marshes and the River Dnepr, followed at the end of September by the environs of Gomel, then later Vitebsk, Toropetz and Velikie Luki, and from mid-October Rzhev. In December the SS Cavalry Brigade was ordered to move to the outskirts of Moscow, where they became engaged in real heavy fighting, this time not against civilians unable to defend themselves but Soviet elite units going on the counter-offensive.

Becher—already an SS-Untersturmführer (Second Lieutenant) by this time—was appointed liaison officer (Ordonnanzoffizier) of the Cavalry Brigade staff from August 5, 1941.⁴³ As he had formerly (between July 29—August 5) been a Platoon-Commander, it is possible that he was involved in mass executions. Moreover, as Becher's order of appointment is dated August 14, it is possible that he and his platoon took part in the executions for a further 9 days, between August 5 and 14. In any case, it is certain that as direct liaison officer of Brigade Commander Fegelein, Becher had precise information about the realities of the Reich's Jewish policy in Eastern Europe. It must be so, because in the locations (or their direct surroundings) where Becher according to his own testimony went in the fall of 1941, e.g. Smolensk, Minsk, Vitebsk, Bobruisk, Rzhev etc.,

tens of thousand of Jews, civilians, Gypsies and Soviet prisoners of war were killed between July and December.⁴⁴

According to a clerk at the command office, Fassbender, who played a major role in the Aryanization effort in Warsaw, ordered that reports about the massacres should be styled reports about military action: mass executions were to be reported as heavy fighting, and groups of Jews shot dead as enemy losses. Allegedly, Fassbender ordered the falsification with Becher's express permission. According to another testimony, units had to make a detailed report twice a day (in the morning and in the evening) about individual operations, naming the number of "enemy" deaths and prisoners, and any ammunition requirements. Incoming reports were aggregated by the liaison officers.⁴⁵ According to another eye-witness, Becher was once present when soldiers tried to drown Jewish civilians in a lake.⁴⁶ A clerk in the Brigade later recalled that Becher dictated orders to him about the execution of the Jewish population at certain locations.⁴⁷

When the war was over, proceedings started into killings by the SS Cavalry Regiment. In 1964 the Munich Attorney's Office started an investigation against 28 members of the Regiment. Becher was one of them, and was finally released on bail. In 1965 the Attorney's Office ended all proceedings.⁴⁸ In 1964 Becher appeared in Braunschweig as a witness in a court case brought against an SS Cavalry Regiment officer (Magill). After the publication of Karla Müller-Tupath's book in 1982, the Bremen Attorney's Office began prosecution against Becher on charges of mass murder based on the testimonies quoted above, but soon terminated it on the grounds of insufficient evidence.⁴⁹ Becher saved his skin every time using a not too convincing but effective method. He claimed that he hardly remembered any details, did not issue or dictate any orders for murder, and did not even see any as they were probably issued verbally by Fegelein; that he knew nothing about the mass destruction of Jews, and first heard about the massacres during these very proceedings; that he was responsible only for liaising with the Wehrmacht and other non-operational matters; that his movements were concentrated mostly on the hinterland; and so on.⁵⁰

There can be no doubt that Becher did, however indirectly, facilitate mass killings. What is more, according to the Bremen State Attorney's Office it could not be absolutely ruled out that Becher lied during previous hearings during the 1960s. However, by then these considerations were no longer relevant in the eyes of the law. Even if some vague testimonies claimed that Becher did witness executions, or even actively par-

ticipated in them, none of this was supported by concrete evidence either at the time, nor since then.⁵¹

For his actions between July and December 1941 Becher was awarded the Iron Cross second class, and later the Iron Cross first class, and in January 1942 the *Kriegsverdienstkreuz* second class.⁵² As we have already pointed out, it is conceivable that in one way or another—for instance as a liaison officer—Becher did take part in the atrocities and killings committed during the extermination campaign which lasted for five months. These medals only further confirm this possibility, though the Iron Cross first class was relatively rarely bestowed, while the other two medals were often awarded to people who carried out administrative tasks far away from any fighting.⁵³ Becher testified that in the fall of 1941 he liaised mostly with the Wehrmacht high command. His superior, Fegelein, said about Becher in one of his reports: “He has noteworthy skillfulness in negotiating with higher service levels, particularly with the Wehrmacht. He is an exceptionally well-groomed, polite, and well-trained SS leader.”⁵⁴ What makes the researcher think regarding Becher’s position in 1941 is an order of appointment which became effective on August 5, but was put in writing only nine days later—a photocopy of which appeared in Emenegger’s article. The order was for several promotions: Hermann Fegelein was the first on the list (appointed commander of the Cavalry Brigade), next Albert “Sweetie” Fassbender, then followed a Captain and a First Lieutenant, while Second Lieutenant Becher came fifth, in the order of importance of his rank.⁵⁵ Clearly, the *Kommandostab RFSS* order was issued by Himmler himself, because no appointment to commander of the Cavalry Brigade could have been made without his knowledge. Consequently both Fassbender and Becher were promoted to the *Kommandostab* of the Cavalry Brigade at Fegelein’s request. This means that by this time Becher was in very good term with Fegelein, an officer of brilliant prospects, and on November 9, 1941 he was promoted to *SS-Obersturmführer*. This contact was particularly valuable, because Fegelein married exceedingly well: his wife was the sister of Eva Braun, Hitler’s mistress, so Hermann Fegelein was in fact the Führer’s brother-in-law.⁵⁶

In October 1941, *SS-General Jüttner*, head of the *SS-Führungshauptamt* (*SS-FHA*, *SS Operational Main Office*) sent Becher to Warsaw as an economic expert, on Göring’s general directive. So in late October–early November Becher left the 1st *SS Cavalry Brigade*, after being hospitalized in Berlin for several months with a skin disease again.⁵⁷ In the meantime, Becher’s unit was ordered to the vicinity of Moscow and suf-

ferred heavy losses in the Soviet offensive launched by Zhukov, so Becher probably escaped the fiercest round of fighting.

After recovering in hospital, in early 1942 Becher was sent to Office VI of the SS Operational Main Office responsible for military operations and control within the Waffen-SS (Armed SS), called *Inspektion Reit und Fahrwesen* (Inspectorate for Riding and Transport), where he was put in charge of horse supply. Here Fegelein was once again his superior. Becher was responsible for provisions and the training of horses for the Waffen-SS. He was also Fegelein's adjutant and deputy. Acting in this capacity, Becher accompanied his superior to Lublin, where they met Odilo Globocnik, local SS und Polizeiführer directing the destruction of Jews at the Sobibor, Treblinka, and Belzec death camps. Yet, Becher not only denied having known about the massacres committed by the SS Cavalry Brigade, but claimed during hearings after the war that he first heard the expression "final solution" from his U.S. interrogators.⁵⁸ At this time, Becher had an excellent relationship with his superior, something which is indicated partly by Fegelein promoting him into Captain in March, despite his having spent the previous months in hospital doing nothing in particular.

In late 1942 Becher was ordered to go to the East to serve in Fegelein's combat group (*Kampfgruppe*) once again, this time on the River Don.⁵⁹ Becher headed his own unit in the bloody fighting, and a few weeks before his unit was withdrawn from the front line in March 1943, Becher was ordered to return to his old position in the rear, the SS Operational Main Office. He was awarded several new medals, this time expressly in recognition of his military actions. He stayed there for six months, then was sent back to the front line once again. Between October and December 1943, Becher took part in the defense operations of the 8th Florian Geyer SS Cavalry Division on the Dnepr River under the command of Fegelein, who by this time had been promoted into SS-Brigadeführer.⁶⁰ The cavalry division suffered heavy losses, and in December was ordered to go to Croatia to rest, where it was made responsible for security matters and hunting down partisans, as had been the case in the fall of 1941 and the following year. However, Becher did not go with them.

We have very few clues about how Becher subsequently became Himmler's unofficial special envoy on economic affairs in Budapest. Similarly, we know little about what specifically he was doing in 1942–1943 at the SS-FHA. According to Lévai, in 1942 Becher's first major assign-

ment in Germany was to acquire the racehorse stud-farm of Baron Oppenheim and his family, which had Jewish origins.⁶¹ Becher concluded an “agreement” for the deal, snatching the horses directly from under Göring’s nose, in return for which the Oppenheim family enjoyed a certain degree of protection in Nazi Germany. (Emenegger too mentions this episode.⁶²) Becher said about this in a testimony made in Nuremberg: “Roughly in the summer of 1942 ... my superior, SS-Standartenführer Fegelein asked me to negotiate with the Oppenheim family from Köln in Schlenderhan [the name of a castle—G. K.–Z. V.] about ceding their stud-farm to the Waffen-SS.”⁶³

The Oppenheims had owned the Schlenderhan stud ever since 1869, and the horses bred here continued to rule the race-courses of Germany until the summer of 1940, when they were excluded from the races for being owned by non-Aryans. Soon it was proposed that the stud-farm be taken away from them. In line with Hitler’s orders, Lammers, Minister in charge of the Chancellery of the Reich, told the Oppenheims to talk to the SS. When the talks began, Himmler started to use a threatening tone: “We do have other methods, you know.” (“Sie wissen doch, wir haben noch andere Methoden”). Waldemar von Oppenheim, the head of the family, realized that there was little he could do. On a late summer day in 1942 SS-Hauptsturmführer Becher turned up at the farm to inspect (inspizierte) the horses on behalf of the Reiter-SS. On November 16, SS-Obergruppenführer Hans Jüttner, head of the SS FHA, breakfasted with Baron Oppenheim to discuss the details of the agreement, which they signed 10 days later, and which became effective on January 1, 1943. The Oppenheims received 4.4 million marks for the stud-farm, including the horses and the chateau of course. Even more importantly, the Führer ordered protection for the family, a status which was confirmed in a letter of protection (Schutzbrief) issued by the Nazis.⁶⁴

And now let us see Becher’s version of the same story. According to him, it was Hitler who masterminded the whole scheme and objected to the owners not having “pure Aryan” origins. Himmler wanted to solve the problem simply by way of expropriation, an idea supported by Fegelein, but Becher managed to scare his superior by pointing out the likely adverse consequences which news of confiscation would have for Germany’s reputation in “international racial circles.” Fegelein got Himmler’s permission for Becher “to start negotiations as normal.” Becher, who was—in his own judgment—a morally sensitive man, was obstructed by various people during these negotiations, including Hitler’s friend Chris-

tian Weber, who was concerned simply to line his own pocket at the lowest possible cost, and Fegelein, who allegedly kept mocking Becher for his efforts and—together with Himmler—often urged Becher to forget about his “honest and fair” methods.⁶⁵ During the negotiations, which finally proved successful, Becher was left with only one supporter: SS-Brigadeführer August Frank. According to Becher, Frank not only fully understood Baron Oppenheim’s financial, personal, and security needs, given the desperate situation he was in, but also supported Becher and even spoke up for him. Becher claimed that in the end the deal was settled not for 4.4 million, but nearly 8 million marks, and was signed by Waldemar von Oppenheim in Berchtesgaden. With Frank’s assistance, Becher lobbied the Ministry of Finance to get a tax exemption for the Oppenheim family, and thereby saved these “not pure Aryans” nearly 2 million marks. (However surprising it may seem, what Becher said seems to be true, because Becher possessed a copy of the agreement, and was indeed the one who took care of the taxation aspect of the deal covered by the agreement.⁶⁶) At the last business dinner during the talks, Frank said several hearty toasts for the Jewish Baron, “which was very typical of Frank”: he was honorable and decent even towards Jewish people. Moreover, as they continued to have a close relationship, Frank supported Becher’s attempts to save Jews even in 1944, and stood up for him against Kaltenbrunner (the head of the RSHA), Müller (the head of the Gestapo), Eichmann (the head of the Jewish Section of the Gestapo), and Becher’s superior Fegelein, and even used his influence with Himmler.⁶⁷

The Oppenheims were certainly grateful to Becher: after the war was over, their bank was particularly generous to Becher’s company, and even sent Becher a letter informing him about the ceremonial commemoration of the bank’s 200th anniversary. This happened little over a decade ago, in 1989.⁶⁸

When Becher testified in 1947, most of the Germans who had had something to do with the Oppenheim case—who turned out to be Becher’s future enemies—were no longer around to defend themselves. Hitler and Himmler committed suicide, the Führer had had Fegelein shot, Kaltenbrunner was hanged, Müller and Eichmann had both disappeared. Only Frank was still alive, or to be more precise decided to stay alive: actually, Becher said the words of praise cited above as witness on behalf of Frank in the so-called Pohl case, a lawsuit brought against the leaders of the SS-WVHA. In return, Frank was happy to speak about Becher in superlatives, describing him almost as a philanthropist.⁶⁹ This tactic was

frequently used in postwar court cases: defendants tended to push all the responsibility on people who had already died, disappeared, or were convicted anyway. But who really was August Frank, the protector of Becher and the Jews?

Frank headed *Amtsgruppe A* ("Office Group A") of the SS-WVHA, the Economic and Administrative Main Office of the SS, which was founded in 1942 as an administrative organization of the SS units.⁷⁰ At one time, Frank was also the deputy of SS-Obergruppenführer (Lieutenant General) Oswald Pohl, the head of the SS-WVHA. In this capacity, he played a key role in the implementation of the so-called Operation Reinhard (*Einsatz Reinhard*). As we have already mentioned earlier, Operation Reinhard was originally the cover name for an operation to exterminate Jews living on the territory of the Generalgouvernement of Poland. The operation was set in motion in the spring–summer of 1942 in the Sobibor, Treblinka, and Belzec extermination camps then even in Auschwitz-Birkenau. As a result of this altogether almost 2.5 million Jews were killed and plundered. The loot, amounted to hundreds of millions of RM, was distributed essentially in accordance with an order issued on September 26, 1942. The man who undersigned was no one else than Becher's protector, SS-Brigadeführer August Frank, who was "decent" and "honorable" with the Jews, and a "savior of the Jews," so Frank was in fact one of the main perpetrators of genocide developed into a self-financing scheme. In the above order he defined his own main principle as follows: the "utilization of the loot held by Jewish receivers of stolen goods" (*Verwertung des jüdisches Hehler und Diebesgutes*).⁷¹ We do not know whether or not the judges believed Becher's testimony. It is however certain that Frank escaped hanging and was sentenced to life imprisonment instead, his term of punishment being later reduced to 15 years.

Becher probably used the successful outcome of the Oppenheim deal as a stepping stone: initially he was selected for the job as a "horse expert," but making a good deal for the SS lifted him above this rather limited role. According to Emenegger, Becher claimed after the war that he had met Himmler for the first time only in the spring of 1944, in connection with the Weiss Manfréd-business. The Swiss journalist believed not a word of this, and quotes a letter written by Himmler to Becher in January 1943, in which the Reichsführer SS congratulates Becher on his "unwavering participation in the struggle against lower human species" (*unnerschrockenem Einsatz im Kampf gegen das Untermenschentum*). This letter, which starts with the address "Dear Becher" (*Lieber Bech-*

er”), convinced Emenegger that Becher, now risen to the rank of SS-Sturmabführer (Major) and with a history of fighting on the Russian front and being active in mass murder, had an excellent relationship with Himmler. Moreover, according to Emenegger Himmler thanked Becher in a letter dated March 1943 for “an item of mail” (“für eine Sendung”). There is only one serious problem with Emenegger’s assertions: he is silent about the source of these two allegedly existing letters, and, unlike with many other authentic sources (Becher’s order of appointment dated August 1941, Chorin’s handwritten letter to Horthy, etc.), omits to include in his article a photocopy of these documents. All he says about such crucial evidence about Becher’s position that it “exists” (“existiert”), that “there is” (“es gibt”) such an evidence. In connection with the mysterious mail sent to Himmler, the Swiss author takes it for granted that it contained the valuables of Russian or Polish Jews, and defines his source by using the expression “we know it from private circles” (“von privaten Seiten wissen wir”).⁷² Unfortunately, this is neither adequate nor very convincing.

Yet, Emenegger is certainly right in saying that Becher came into direct contact with Himmler already in 1942. About this Becher said in his Nuremberg testimony: “I saw Himmler for the first time on December 27, 1942 when I accompanied Herman Fegelein from the front to the SS Main Operational Office because the latter had been wounded.” He claims that on this occasion he merely shook hands with the Reichsführer-SS. In 1943 they started to meet more often, and Becher increasingly frequently visited Himmler on behalf of Fegelein to report on the status of the SS Cavalry. Becher called their relationship formal.⁷³

It appears that Becher’s and Fegelein’s relationship became very much soured over the Oppenheim deal, at least temporarily. We know this not only from Becher’s own testimony—where Becher was obviously biased on the issue and was trying to distance himself from the executed brother-in-law of the deceased Führer—but also from August Frank, who confirms that Fegelein was irritated by his subordinate’s criticism of his “lavishness” in financial matters. He even put his subordinate in a very delicate situation and great danger by writing reports about this subordinate trying to intervene with the Gestapo on behalf of the Jewish Weiss family (not identical to the Hungarian industrialist’s dynasty).⁷⁴ We know that Frank was obligated to Becher, but his testimony is also confirmed by Jüttner, the head of the SS-FHA, who knew about Becher’s deteriorating relationship with Fegelein. Jüttner recalls that as Becher was gradually

getting stronger, Fegelein first tried to sideline him, and later accused Becher of having committed adultery with his own wife. This was a potentially lethal accusation, because adultery with Eva Braun's sister behind the back of her husband who was also a war hero could have unleashed the Führer's rage on Becher. According to Jüttner, the alleged affair ended when Becher was found innocent by an investigation, and the egg was on Fegelein's face.⁷⁵ From this somewhat confused information we get the general impression that Becher's success was making his superior increasingly envious. It was perhaps due to this conflict that when Fegelein was sent to the front line once again at the turn of 1942–1943 he did not leave his deputy behind in his cozy Berlin office, but made Becher follow him and face the Russians on the battlefield.

What we do know for certain is that news of Becher's successful advance within the SS-FHA reached the SS-Reichsführer's ear. According to Lévai, there was rivalry between the Waffen SS and the Wehrmacht for new supplies, and these included horses. Allegedly, Becher was put on the case in 1943, and by February 25, 1944 managed to "pass management of the entire riding stock to the SS." Lévai concludes that as a result Becher "acquired a monopoly and became a 'horse dictator.'"⁷⁶ It is difficult to check Lévai's assertion, as once again he does not name his source. The only slight hint is that Jüttner too mentions Becher being in charge of both the Wehrmacht's and the Waffen-SS's horse and weapon supplies in Hungary.⁷⁷ Becher said the following in his testimony in Budapest:⁷⁸ "After March 19, 1944 I returned to Budapest as a commissioner of the German armed SS Führungshauptamt. My task was partly buying breeding studs for the German SS, and partly buying military horses for the German SS and the entire German defense force." If this really was so, then it clearly happened with Himmler's approval. Even if Lévai and Emenegger would have liked it to be otherwise, there isn't sufficient proof of the existence of a close personal relationship between Becher and the Reichsführer-SS in 1942–1944.

Based on the following, we do know for certain that in March 1944 Kurt Becher's mission was to promote the economic interests of the SS as much as possible subsequent to Hungary's imminent occupation, by securing equipment for SS units to be newly set up. When asked about the circumstances, Becher said that Fegelein had recommended him to Himmler "as a businessman trained at home for this job." According to Becher, another reason for his being chosen was that in 1944 Fegelein worked at the Führer's headquarters, and so his deputy, i.e. Becher, often

reported on current affairs to SS-Obergruppenführer Jüttner, the head of SS-FHA, and this is probably how Becher caught his attention. In March 1944 Becher was ordered by Fegelein and Jüttner to go to Klessheim on March 19 or 20. The timing and the location is quite telling: on March 18–19, 1944 Regent of Hungary Miklós Horthy, arrived at the Chateau of Klessheim on Hitler's invitation, where the German dictator announced to him that he had ordered the occupation of Hungary. Upon arriving at the Führer's headquarters, Becher was ordered by his superiors to set up a unit which would be responsible for procuring in Hungary the necessary number of horses and equipment for the SS. On Jüttner's and Fegelein's orders, the very same evening Becher visited Himmler, who was staying nearby. In the course of the audience the Reichsführer-SS confirmed giving Becher the order to procure equipment for the new Waffen-SS units to be set up in Hungary.⁷⁹

Becher was appointed SS-Obersturmbannführer (Lieutenant Colonel) in January 1944.⁸⁰ He was not to prove a disappointment.

3. ARTIFICIAL CHAOS: BECHER'S POSITION IN HUNGARY

Becher did not, however, have a high position in the hierarchy of the occupying SS. The new SS Lieutenant Colonel went to Hungary as head of the Riding and Transport Office (Reit- und Fahrwesen Amt) of the SS War Supply Staff (SS-Ausrüstungsstab) in Hungary, reporting to the SS-Führungshauptamt.⁸¹ Becher's job was to procure horses for the Waffen-SS, and in all likelihood also for Wehrmacht. According to plans, he had to arrange the procurement of two lots of 20 thousand horses.⁸²

Theoretically, Becher had a marginal role in economic affairs. There were many other German economic, government, and SS officials working alongside Wehrmacht organizations in Hungary.⁸³ These included, for example, Hans Konstantin Boden, an economic advisor to SS-Brigadeführer Veessenmayer, German Plenipotentiary of the Reich in Budapest; and Prescher, the head of the Hungarian supplies staff of the Race and Resettlement Main Office (Rasse- und Siedlungshauptamt—RuSHA) headed by SS-Obergruppenführer Richard Hildebrandt. There was another economic unit reporting to the Staff of SS-Obergruppenführer Otto Winkelmann, Higher SS and Police Leader in Hungary (Höhere SS und Polizeiführer in Ungarn), and Himmler's personal representative. This unit was headed by SS-Obersturmbannführer Hans Bobermin, who had

been delegated by Oswald Pohl, another influential SS manager and the head of the SS-WVHA, i.e. the highest SS notable in economic affairs, and who was himself directly employed by the SS-WVHA.⁸⁴

In terms of organizational hierarchy, neither Becher nor his office had anything to do with the *Endlösung*, every phase of which was directed by a different SS Main Office. Deportations were organized by Obersturmbannführer Adolf Eichmann, the head of the Gestapo's Jewish Section (IV/B/4) at RSHA. Jews deported in 1944 were taken to camps overseen by the Inspectorate of the Concentration Camps, Office Group "D" of the SS-WVHA.⁸⁵ Consequently, the segregation and ghettoization of Hungarian Jews took place on the orders of Eichmann in conjunction with local Hungarian public administration institutions and armed law enforcement organizations (the gendarmerie and the police); then once collected, these unfortunate people were deported to Auschwitz-Birkenau. The SS leadership of the camp was responsible for exterminating Jews unfit to work and assigning work to those who weren't. The fate of individual transports was heavily influenced by the contrary pressures put on SS commanders by various SS main offices: RSHA wanted to see as many Jews killed as possible, while SS-WVHA insisted on using as many Jews as possible as a labor force.⁸⁶ Neither Becher's parent organization, the SS-FHA, which commanded SS units fighting on the front line, nor his superior, SS-Obergruppenführer Hans Jüttner, had any influence over this confusion, which in a way was artificially generated.⁸⁷ While his organization was irrelevant from the point of view of the *Endlösung*, Becher was in connection with the process by negotiating with various Jewish groups and riding the side-waves of deportation in the meantime.

The chaos in areas of competence, which permeated in the entire organization of Nazi administration, was in fact part of the internal power mechanism of the National Socialist regime. Hitler played off one Nazi potentate against another, creating overlapping lines of authority, and Himmler, who was as suspicious as his master, did his best to see to it that every subordinate and main office under his command was watched and surveyed by another. One of the pillars of the system created by the *Reichsführer-SS* was to make a temporary appointment, verbally or in writing, of a personal representative, circumventing the relevant organizations and official hierarchy of representatives, and to put that representative in charge of specific well-defined matters. The host of personal representatives included Rudolf Höss in 1941–1942, whose task was to

solve practical problems in connection with the extermination of Jews in Auschwitz; Odilo Globocnik in 1942–1943, the SS and Police Leader of Lublin (SS und Polizeiführer Lublin) responsible for the extermination of the Jewish population of the Polish Generalgouvernement at the extermination camps (Operation Reinhard); and SS-Obergruppenführer Karl Wolff in 1945, who was given responsibility for negotiating with the Allies about surrender.⁸⁸

Pohl described Himmler's power politics in Nuremberg as follows: "Himmler had a strange method. He would always use special orders. He would pick someone and give him an order." It is indicative of Becher's special position in the spring of 1944 that Pohl mentions him as a specific example of this in his testimony: "For instance, [Himmler] appointed Standartenführer Becher for the purely political task of removing the Weiss Manfréd concern from the Hungarian economy. It was a purely political job which should have been given to me, but still Becher got it."⁸⁹ One of Eichmann's close associates, Wisliceny, recalls Becher's position in the summer as follows: "Becher was staying in Budapest at the time, negotiating with Joint Representatives as Himmler's envoy."⁹⁰

Becher got a taste of Himmler's special way of exercising power when he found out that during the first days of Hungary's occupation Höhere SS- und Polizeiführer Winkelmann, accredited to Budapest as Himmler's personal representative, had to cool his heels until Kaltenbrunner, the head of the RSHA, the organization of German organs of oppression, finally returned to Berlin. Becher recalled in Nuremberg: „It is absolutely abnormal that a Higher SS and Police Leader who has been determined for a certain area should only start functioning if another gentleman has finished the initial work. That is my impression."⁹¹

When Himmler appointed Becher as his personal envoy on economic matters in relation to the Hungarian Jews, in practice he lifted him out of the parallel hierarchy of German government agencies and SS main offices reporting to Himmler and controlled by Himmler's representatives of various rank. This now meant that Becher could go directly to Himmler, give orders even to higher-ranking members of other offices on the strength of a decision of the Reichsführer-SS, and get round his own superior (Jüttner) and even higher officials (e.g. Kaltenbrunner).⁹² In all probability Becher received his appointment verbally, perhaps face to face.⁹³ If it had been otherwise, Becher should have presented his letter of appointment in May to Eichmann in Budapest, and so the latter would not have had to call Müller, the head of the Gestapo, to check

Becher's status. In October 1944, when Becher was given the task of evacuating the Hungarian industry, his appointment already reflected his special position. Instead of being an ordinary staff member of the SS-FHA, this time he was a member of Höhere SS- und Polizeiführer Winkelmann's staff.⁹⁴

By May 1944 Becher was undoubtedly an important man. He was in direct contact with Himmler, and negotiated increasingly frequently with Hungarian ministers. This was a big change from two months before, when following the occupation Becher was kept waiting in the anteroom for 2 or 3 days by Edmund Veessenmayer, and never finally gained admission.⁹⁵ It seems—in the light of incomplete documentation and often contradictory testimonies motivated by the desire to push the blame on someone else—that Becher acquired special status in Hungary during the period of occupation rather than bringing it with him from Germany. How then did he rise in the space of two months from an essentially unknown SS Lieutenant Colonel to the SS “Wunderkind” indispensable in economic matters? The explanation lies in the successful acquisition of the Weiss Manfréd estate.

4. IN THE GATEWAY TO SUCCESS: THE WEISS MANFRÉD AFFAIR

Becher arrived in Budapest during the first few days of the German occupation. His staff occupied two buildings at 114 and 116 Andrassy Boulevard and the neighboring mansion at 13 Lendvay Street. The act was deliberate, but there are question marks about the motive. These buildings were the property of the Chorin, Weiss, Mauthner, and Kornfeld families. The mansion at 114 Andrassy Boulevard was the family home of Ferenc Chorin Jr., former President of the Hungarian Association of Industrialists, former Chief Executive of the Salgótarján–Rimamurány Iron Works Inc., and former Vice President of the Hungarian Commercial Bank of Pest. Chorin was the most influential figure in the Hungarian economy and head of the “dynasty” that owned the Weiss Manfréd industrial complex. At dawn on March 19, 1944 he fled from Budapest, and in a matter of hours the Germans had occupied his mansions.⁹⁶ There is indication that the new occupants were already Becher's people. At the time, SS-Sturmabführer Alfred Trenker, the head of the Gestapo Budapest, and his 32 men were busy arresting 300–400 politicians, journalists, trade-union leaders and prominent Jewish figures, whom the head of

RSHA, Kaltenbrunner, and his informers believed to be posing a threat to peaceful occupation.⁹⁷ So Trenker probably had neither enough time nor enough people to occupy all three mansions. Becher repeatedly told Hungarian journalists interviewing him in 1961 that the quartermaster-general of the troops of occupation allocated the mansions to him completely at random. As he said, he was even shocked by the procedure, because upon arrival at the Chorin mansion he noticed that the valuables found there had not even been inventoried, so he had to ask for someone to be sent on behalf of the family to make an itemized list.⁹⁸

Chorin was soon arrested by Hungarian detectives in the Western Hungarian town of Zirc. After giving testimony in Budapest he was handed over to the German authorities, who interrogated and beat him up at the Budapest headquarters of the Gestapo, then deported him to the Oberlanzendorf internment camp in Austria (Vienna, XXIII District).⁹⁹

Writings about Becher take it for granted that he came to Hungary with the drawn-up plan and deliberate intention of acquiring for the SS the largest still non-German owned mechanical engineering and armament factory complex in Central Europe, namely the Weiss Manfréd industrial complex, which employed tens of thousands of people. This scenario is based on the assumption that already at that time Becher was acting as special envoy to Himmler, who knew exactly what he wanted (namely to gain control over the entire conglomerate), and this is why he wanted these mansions specifically. From carefully reading Ferenc Chorin's recently published memoirs, one gets the impression that it is closer to the truth to assume that Becher was sent to Budapest on the general mission of milking Hungary as much as possible and squeezing out as much profit as possible from Hungarian Jews, as had been done with the Oppenheims in Germany. We do not know for certain what role the family that owned the Weiss Manfréd conglomerate was supposed to play in this still obscure scheme of things. Becher's claim that the Wehrmacht allotted the mansions to his unit does not sound too credible. The question is whether with occupying the mansions he was just looking for comfort and luxury accommodation in the house of *one of his future counterparts* in the negotiations, or whether he wanted to lay his hands on *Chorin personally*. It seems that he was simply looking for information to begin with, but later on it dawned on him that Chorin could be instrumental to discovering more about the Hungarian economy. This is confirmed by subsequent events. It took Becher nearly a month to find out what the score was, to interview Ferenc Kelemen, the

head of the brokerage company managing the Chorin family's securities, and to find Chorin through Kelemen and Vilmos Billitz, a director of the Weiss Manfréd Aviation and Engine Factory. "Billitz was obviously trying to protect Chorin by putting him in the focus of my attention, by pointing out that he [Chorin] was a well-informed and knowledgeable merchant in the Hungarian market at the time, and that if I wanted to be successful here in Budapest then I could best do so via Chorin," Becher recalled after the end of the war in Budapest.¹⁰⁰ Becher had to get permission to visit Chorin. He probably managed to do so with Winkelmann's assistance, who often intervened on Becher's behalf in such matters with Hans Geschke, Senior Commander of the German Security Services in Hungary (Befehlshaber der Sicherheitspolizei und des SD in Ungarn).¹⁰¹ This was on April 17. The date is certain, because it was the birthday of Chorin's wife, who was desperately ill in a concentration camp by this time. According to Chorin, this miraculous coincidence was a fortunate turning point for him and his family: "[Becher] came to me saying that he and his circles were told that I was the most well-informed person on economic affairs in Hungary, and was asking me if I was willing to help them with information, to which I replied that I was."¹⁰²

Becher did not waste time. He asked Chorin for a written authorization for Kelemen to hand over a "significant sum of money" to the Germans.¹⁰³ This detail (and as we will see, the next few steps) gives no indication that for the time being (i.e. one month after the German occupation) Becher desired to get hold of the conglomerate. The objectives of the SS-Obersturmbannführer were not sophisticated, to say the least: all he wanted was money, a lot of it, and straight away. But he was too late. On April 14 the Hungarian government issued the already mentioned Prime Minister's decree 1600/1944, ordering Jews to declare all assets apart from personal belongings up to 10,000 pengő, and then froze these assets. Moreover, the same decree forbade Jews from making cash withdrawals above 1,000 pengő from their bank accounts. New legislation meant to destroy the economic base of Hungarian Jewry became effective on April 16, the very day before Becher met Chorin in Oberlanzendorf. So Becher's plan fell through. But the episode had more far-reaching implications. For during the three days following the German occupation 296 million pengő were withdrawn from Hungarian banks, almost the entire amount by Hungarian Jews.¹⁰⁴ So it is not surprising that various German authorities demanded independently from each other that the Hungarian government restrict Jewish withdrawals (Counselor of the German

Embassy Feine tried to intervene with Hungarian Financial State Secretary Csizik in reference to Veesenmayer, while SS-Hauptsturmführer Bruno Langbiehn tried to intervene with Hungarian Police Chief Éliássy with reference to Krumey, Eichmann's deputy).¹⁰⁵ The freezing of Jewish assets was on the front page of the newspapers on April 16.¹⁰⁶ Yet, it seems that Becher knew nothing about it, otherwise he would not have made a vain journey all the way to Vienna then back to Budapest carrying Chorin's unclaimable "check" in his pocket. Becher—allegedly Himmler's special envoy—was told nothing by the Hungarian authorities or German partner institutions. Perhaps he was busy working on the draft agreement which Hungarian Minister of Finance Lajos Reményi-Schneller raised at the Cabinet meeting of the Hungarian government on April 14, whereby Germany demanded 20,000 horses and 5,000 carts, saddles, and items of riding equipment.¹⁰⁷ (Germany soon stepped up its demand to 100,000 horses.¹⁰⁸)

In his postwar testimonies Becher deliberately muddled the waters. For instance, he shamelessly lied to two communist journalists, Pintér and Szabó, who interviewed him in 1961, saying that he had freed Chorin from Mauthausen.¹⁰⁹ In any case, Becher's first attempt was a complete fiasco. For another couple of days nothing happened.

Chorin was interrogated about political matters in Vienna, while his dysentery-like disease deteriorated. Then suddenly one of Becher's men turned up to tell the Hungarian industrialist that Becher was in Germany for the time being, but would soon send someone to take him to Budapest.¹¹⁰ In Becher's words: "I made arrangements in higher circles for Chorin to be released from the camp, and sent one of my men to get him."¹¹¹ These higher circles either meant the Winkelmann–Geschke connection once again, or this may have been on the occasion when Winkelmann sent Becher to Himmler while the Reichsführer was staying near Berghof in the former German–Austrian border zone. The audience with Himmler had been arranged by Fegelein, who in the meantime had risen to a kind of go-between between Hitler and Himmler.¹¹²

Whatever the case may be, on April 27 SS-Obersturmführer (First Lieutenant) Stapenhorst sent a car for Chorin and brought him back from Vienna to Budapest, where he was escorted to his own mansion. He was given just enough time to take a bath before being taken to the library, where he was awaited by some 15 German officers, with Becher at the center. "I was interrogated, and they were asking me strange questions. They asked me to give an outline of Hungary's economic situation,

to which I replied once again that I could hardly do so, because I assumed important changes may have occurred over the past three months... They spent a lot of time on the question of which currency in my opinion was the safest, the U.S. dollar, the Swiss frank or the English pound sterling."¹¹³ So here were a dozen sullen German officers—the cream of SS and Wehrmacht economic experts delegated to Budapest and absolute masters of the situation—querying a sick, underweight Jewish magnate 65 years of age released only a few hours ago from a concentration camp several hundred kilometers away about the larger questions of the Hungarian and the world economy—such an absurd scene was typical of Budapest in the spring of 1944. The whole episode appears even more grotesque when we consider that all this was happening at the very home of the latter. They asked Chorin mostly about the various business participations of the Kereskedelmi Bank (Commercial Bank) and the Hitelbank (Credit Bank).¹¹⁴ And for a good reason, because during their lootings across Europe the Nazis had taken possession of large quantities of Credit Bank shares. The Chorin–Weiss–Mauthner–Kornfeld Group's heavy industry, food industry, and textile industry affiliates were linked to the Commercial Bank and dominated its investor group.¹¹⁵ Becher, who had weeks to figure out this scheme, probably only started to realize that gaining control over the Chorin Group's shares would give him control over these two large Hungarian credit institutions, too, and all the industrial undertakings affiliated with them, in other words, over a serious part of the Hungarian economy.

When the first interrogation was over, a doctor was finally called to attend the sick Chorin. Next morning a very polite Becher paid another visit. He was obviously satisfied with the previous day's big public rehearsal, where he had been able to pose as an omnipotent chief economic expert for the first time. In Billitz's presence, the SS Lieutenant Colonel made another very strange suggestion: "... They got it into their heads that I [Chorin] should go to Switzerland and there give them money which they could then use to buy army lorries."¹¹⁶ Whether the idea was suggested by Himmler during his meeting with Becher or was conceived by the economic council of the SS after the previous day's hearing, without any exaggeration it was of historical significance: for this was the first time the Nazis vented the idea of buying lorries with Hungarian Jewish money in a neutral country, which in the course of the next few months developed into the infamous campaign called "Blood for Goods" (*Blut gegen Ware/Blut für Ware*) that brought dubi-

ous world fame for both the Hungarian Zionist leader Rezső Kasztner and Becher.

Chorin reacted to these ideas with cautiously worded pessimism, and no wonder, because later they turned out in practice not to be feasible: "I said straight away that it was out of the question that I could supply him with money in Switzerland, because as far as I knew all these funds had been frozen, but I said I would nevertheless be willing to go there with someone." Becher named Chorin's traveling partner: Ferenc Máriássy, a Weiss Manfréd executive. But not long after this he suffered a serious accident. The idea of the trip was soon rejected by the Germans, according to Chorin, partly because of the accident and partly because the Germans, too, came to realize that the idea lacked any realistic foundations.¹¹⁷ Nevertheless, the Germans approached another industrialist, Márton Beck, and the Goldberger family with the same idea. The importance the Swiss bank deposits acquired is well illustrated by the fact that members of the Eichmannkommando (SS-Hauptsturmführer Novak, and NCOs Leopold Richter and Werner Lemke) nearly every day visited the Jewish industrialists and economic experts who had been arrested and deported to the Kistarcsa internment camp. Even though these prominent Jewish figures were told that they must not tell anyone what these hearings were about, one of them nevertheless spoke about it to István Vasdényey, the Hungarian commander of his camp later awarded by the Yad Vashem with the title of "Righteous among the nations": "They were after the property of these people, and inquired mostly about their deposits in foreign countries, promising to let them go abroad in exchange."¹¹⁸ In some cases a deal was struck, but a different fate awaited most of those interrogated, who were deported to Auschwitz-Birkenau and other camps at the end of April or mid-July. (In this way the name of another well-known and wealthy Jewish businessman, Chief Executive of Hungarian General Coalmine Inc. and former Vice President of the Hungarian National Association of Industrialists, turned up on a list (the "Liste der Ungarn") drawn up after the liberation of Auschwitz with the following note: Jenő Dávid Vida, 73 years of age, director from Budapest.¹¹⁹

In the meantime Chorin's own fate was looking bleaker and bleaker. In vain did he promise Becher to set up an office for him which would buy him a wide range of industrial goods. The situation had radically changed. Becher recalled: "... We regretfully concluded that during his term of absence local circumstances had taken a U-turn. The [Jewish] persons whom Chorin wanted to contact could no longer be found in Budapest,

because they too were forced to take their leave in the meantime. So in a matter of 14 days it became clear that Chorin could not deliver what he had promised."¹²⁰ Chorin, too, felt that he was in trouble, because he could not set up the facade company he had promised to create, whereas Becher was demanding results: "Then I spent a lot of time thinking about how I could facilitate our escape, what I could be offering..."¹²¹

During these days of tense waiting Becher and Chorin met several times, and these meetings were sometimes attended by Vilmos Billitz, director of the Csepel factory. Becher's patience was running out: "When I realized that Chorin could not help me attain my objective, I gave him a hint that I no longer had any reason to keep him here, and that in fact I would have to send him back."¹²² After rejecting a number of unfeasible alternatives proposed by Becher, Chorin came forward with an offer himself.¹²³ Becher confirmed this in his testimonies made in Hungary after the War, and repeated it even in 1961, with a consistency unusual for him.¹²⁴ Naturally it would have cast a bad light on Becher had it turned out that he had premeditated a scheme of blackmail and masked it as a regular business transaction. But Chorin had no reason to lie to his family in his memoirs. While Billitz, the third witness to these events, did not leave behind any written document on the subject, Andor Biss, who was very well-informed about Billitz's affairs from the Hungarian Zionist leader Rezső Kasztner (see later on), recalled that the idea of the transaction had been conceived by Chorin.¹²⁵ Essentially, Chorin offered to cede his Csepel factories to the Germans if they granted him and his family free departure from Hungary with some cash. Becher readily accepted the offer, but he wanted more than just the Csepel plants: rather, he demanded the entire Weiss Manfréd estate.¹²⁶

As negotiations were progressing, circumstances changed several times. Becher (with assistance from Winkelmann and/or Fegelein) traveled to see Himmler and told him about the essence of the offer. Allegedly Himmler was at first shocked, and objected to allowing Jews leave Hungary. Then Becher—according to his own version—used the following arguments: "Taking the concern into German hands would open the door to other industrial concerns as well as to the Hungarian government and public administration, and this would be the most perfect way to make procurements for the German army... My second reason was that under our control Hungary's largest and most versatile industrial concern would deliver the highest performance figures."¹²⁷ This last argument is likely to have decided the matter: Himmler consented to the

deal, but first wanted to make sure that he had Hitler's approval as well.¹²⁸

Although Becher claimed in his testimony that he improvised the "Treuhand" scheme during his meeting with Himmler, and in 1961 told Hungarian journalists that he was the one who suggested the whole thing to the Reichsführer-SS, this is very unlikely to be true.¹²⁹ According to Chorin, for a long time they had been talking about a leasehold arrangement, until Becher came up with the "Treuhand" idea at the advice of his solicitor.¹³⁰ But Himmler had a number of conditions: he demanded discretion and hostages as a guarantee, an agreement signed for 33 years, did not want payment to be made in foreign currency, and preferred to send the Chorins to Portugal rather than Switzerland.¹³¹

Müller-Tupath tells a completely different version of the story. According to her, Jenő Weiss, a member of the same dynasty, was released soon after he had been arrested by the Gestapo on April 2, and was taken to meet a high-ranking SS officer. The German officer told him his name was Becher, and explained that he was Himmler's envoy in charge of economic affairs in Hungary on behalf of the Waffen-SS. Becher also told him that the freeing and going abroad of Jenő Weiss and the whole Weiss family was conditional on some kind of an agreement. Becher did not make it a secret that he had the Weiss Manfréd concern in his sights.¹³² In the light of the information already set out in detail, we can be quite sure that the version accepted by Müller-Tupath leaves a lot unexplained. If Becher knew already in early April what he wanted to do, why did it take several weeks longer for him to make contact with Chorin; why did the SS first want to gain control over the Jewish businessman's assets in Switzerland rather than in Hungary; why did it take weeks before Chorin—and not Becher—offered to cede the group of companies; and why did Becher have to keep covering his back with Winkelmann if he already had Himmler's full authorization; and so on? On this basis we believe that Müller-Tupath must be mistaken on this point, simply because of having no access to Hungarian language sources that clearly contradicted the author's entire concept.

In a few days time Becher's solicitors arrived: his old friend Dr. Schneider from Berlin, and Dr. Zabransky from the Security Service (SD) in Vienna.¹³³ From then on they started to play the main role. Chorin managed to improve a few details. Himmler accepted these, and the agreements were signed on May 17, 1944. The essence of this legal pack-

age of four agreements, one supplementary agreement, and a letter of authorization can be summarized as follows:

1. Becher, acting as the representative of a resident investor group, bought Housing Trade and Maintenance Inc. (Házértékesítő és Kezelő Rt.) from Mrs. Weiss (Aryan wife of Jenő Weiss).¹³⁴ Becher had to get “resident” status, because under Prime Minister’s decree 1970/1935 foreigners were not allowed to buy Hungarian securities without permission from the National Bank of Hungary. Foreigner meant “an individual residing in a foreign country, and a legal entity or company with its registered seat (plant) in a foreign country.”¹³⁵ So Becher was turned into a resident simply by registering himself at a Budapest address.

2. One “Hungarian” company (Housing Trade and Maintenance Inc.) took into “trusteeship” (Treuhand) for 25 years all the assets belonging to the sphere of interest of the other Hungarian group of companies (the Weiss Manfréd concern).¹³⁶

3. Becher was given full authorization for 25 years to dispose of every movable and immovable property of the principals, possessing equal rights as the original proprietors (so in theory he could even sell them.)

4. Under the agreement the Germans were entitled to 5 percent per annum of the gross turnover of these companies.

The signing of this legal package took several of those concerned by surprise. In 1946 Count János Korányi, deputy director of one of the companies, said in his testimony that he was sent an invitation on the morning of May 17 to appear at a mansion in Budakeszi road at 7 o’clock that evening. Upon his arrival he found the other members of the Weiss family, surrounded by SS guards, who told him the details. Korányi’s surprise and shock increased even further when he heard one family member repeatedly crying out: “What do I have to do with all this, I don’t want to leave and there is no reason why I should leave.” An SS officer (perhaps Becher himself) told the objecting relative that he had no choice. Korányi, who realized what was afoot, is said to have walked out of the room with firm steps while the text of the agreement was being read out, and fled.¹³⁷ From this it is obvious that many were forced to sign the agreement on the spot under duress: they did not have much choice.

Chorin, who had been on friendly terms for several decades with Horthy, the Regent of Hungary, wrote an extremely diplomatic letter of farewell to the head of state, which was delivered to Horthy’s hand by the

Germans: "... During the last two weeks of my arrest I was taken into so-called protective custody (Ehrenschaft), so I could keep in contact with only a few people; for instance, I met an economic group headed by the Reichsführer Himmler, whose attitudes and economic philosophy I found such that it merited starting talks with them, and during these talks they agreed to take the entire Weiss Manfréd property complex into 'treuhänderisch' management. This served several purposes at the same time. Firstly, we secured these assets in our own hands, i.e. in Hungarian hands ... we also secured passing the management of them into the hands of sufficiently competent and professional people, who will under the agreement work towards keeping the factory in good condition and guarantee and foster its future development; and this is extremely important because there was cause for concern that ... management might pass into incompetent hands... The agreement serves German interests equally well, and this is their motive, as it is how they can put the largest Hungarian manufacturing potential fully at the service of the war effort... This agreement also saves us from having to accept an offer under pressure from German companies for a definitive solution, which would result in the draining of Hungarian assets. We could not and so we had no intention to start negotiations with a Hungarian government that had adopted the aforesaid decrees. The agreement that we managed to sign is a gentlemen's agreement with all the attributes thereof, and I am convinced that Colonel (sic!) Becher, who is in charge of its implementation, will execute it in the same spirit. If my knowledge of people does not deceive me, the agreement will be executed in a manner which stands up to the requirements of even the most delicate casino morality. I need to emphasize once again that our deliberation was not born from the embitterment caused by the government's actions, but rather from our own assessment of the situation... I am convinced that had management passed over to the state, it would have resulted even in the best case scenario in a new state-owned metal-working company with state administration, incapacity of supply, and a horrific deficit. It is true that in return for all this some of our family have regained their freedom, but they do perhaps deserve as much for all the work they have done over the previous decades."¹³⁸

In return for their consent, most family members, more than 40 people, were allowed to escape to the free world, either to Portugal or to Switzerland. Some family members, however, were held in Hungary as hostages. Agreement IV, which has never been discovered even to this

day, declared that family members were allowed to receive 600,000 U.S. dollars and 250,000 marks (of their own money) upon their departure.¹³⁹ Yet, in the end, family members who in late June left Austria for neutral countries (Portugal and Switzerland), received only the mark sum plus 200,000 from the agreed 600,000 dollars.¹⁴⁰ In all probability, the remaining 400,000 dollars were channeled into Swiss bank accounts of the SS via the SS-WVHA and/or the Reichsbank, or were injected into the German war economy in the form of supplies of important raw materials.

So Becher solved the first part of his task without any problem. But this was still far from being the end. The transaction bought only 51 percent of the concern, the so-called Aryan part. Basically, the Chorins had had to "Aryanize" their investments under previously adopted Jewish Laws, which effectively meant transferring 51 percent of their share package to "Aryan" family members (who were exempt from Jewish Laws). In April 1944 Prime Minister's decree 1600/1944 ordered all shares in Jewish ownership to be frozen by the state, including the securities of Jewish members of the Chorin dynasty.¹⁴¹ Consequently, 49 percent of the conglomerate was taken over by the Hungarian state, at least on paper.

Prime Minister's decree 2460/1944 (published on July 8) delegated the right of licensing the general meetings of Jewish companies to the relevant trade ministers.¹⁴² So if Lajos Reményi-Schneller the Minister of Finance, and Lajos Szász the Minister of the Industry, granted Becher's façade company the right to hold general meetings at the Weiss Manfréd concern, then as a result SS-Obersturmbannführer Becher would have had effective control over the concern's minority shares as well, while the SS did not possess the 49 percent. As ministers Reményi-Schneller and Szász were considered particularly trustworthy supporters of the Germans in the quisling Hungarian government, there could be no question about which way the decision would go. Minister of Finance Reményi-Schneller was particularly helpful.¹⁴³ On August 17, 1944 the two ministers issued the necessary license, based on which the entire Weiss Manfréd concern was taken under Becher's control. According to Lévai, this move caused family assets, property, companies, and shareholdings worth several billion pengős to pass into Becher's hands.¹⁴⁴

Becher's scheme of blackmail, which he carried out with Himmler's approval, was too brazen even for the Sztójay government, even though they were collaborating with Germany. Minister of the National Economy without portfolio Béla Imrédy announced at the June 10 meeting of the Council of Ministers that he "wanted to reach into the Weiss Manfréd

case even deeper.” This firm tone was approved even by the Hungarian Prime Minister, Döme Sztójay, who usually tended to be very servile to the Germans.¹⁴⁵ The explanation is that the Hungarian quisling cabinet itself had serious plans regarding the wealth of the Hungarian Jews, a not insignificant part of which was the Weiss Manfréd concern.¹⁴⁶ Becher thought that he had glimpsed beyond saving the Chorin family by handing over management of this concern to the strongest Nazi organ, the SS. He was perhaps right, as the letter of farewell to Regent Horthy seems to confirm it. The head of the Chorin family may have felt that:

- in the current situation the survival of his family could be guaranteed only by leaving the country immediately;
- the new Hungarian government would have tried to carve up the concern;
- if Hungarian directors were appointed they would primarily try to fill their own pockets, and use their influence to remove Jews from the company at the same time;
- a Hungarian or non-SS related German owner/custodian might not be able to protect the company’s independence from other German industrial conglomerates;
- the SS was a good choice with the outcome of the war in mind, because the SS was guaranteed not to survive defeat;
- if this scenario were to become reality, there was a chance that some of the concern would survive the fighting, and the Chorin family could regain control over it after the war was over.

Chorin’s supposed suspicion was not baseless: Velsz Markotay, the first Hungarian director—appointed with an annual salary of 500,000 pengő (the equivalent of roughly 100,000 dollars)—soon turned up. His arrival was marked by an attempt to amalgamate one of the Mauthner companies into the company belonging to András Mecsér, a prominent parliamentary representative of the governing party, and to merge the motor vehicle and the armored vehicle and mortar factory with another state-owned company. The representatives of several German factories hungry for profit, including Messerschmitt and the Steyer Werke, also paid a visit.¹⁴⁷

As these agreements were formally in compliance with Hungarian laws, and the Germans had overwhelming dominance, the Hungarian government did not have an easy position. Béla Imrédy (for several years one of the most trusted protégés of the Germans and Germany’s first preference for Hungarian Prime Minister after the occupation) first spoke

about this affair at the June 1, 1944 meeting of the Council of Ministers. According to the minutes of this meeting, on June 10 he was still very poorly informed and suspected that the Hermann Göring Werke was behind these events. But by July 5 he now realized that he was facing Himmler himself, and immediately struck a more cautious tone, asking the Reichsführer-SS in a letter for a personal meeting.¹⁴⁸ Imrédy met Winkelmann, ambassador Veesenmayer's representatives, and Becher on several occasions, yet it took him until the third meeting even to be allowed to glimpse the signed agreement. In the end, Imrédy failed to come to an agreement with the Germans on three issues, and so demanded another meeting with Himmler; the latter, however, refused to see him.¹⁴⁹

Parallel with the Hungarian government's action, Himmler's German adversaries (the Ministry of Foreign Affairs, i.e. Ribbentrop and Veesenmayer) also expressed their worries about the SS gaining control over the concern. Ambassador Veesenmayer talked about the affair as one having "negative repercussions seriously hindering" the "constructive efforts" of the Plenipotentiary of the Reich in Hungary.¹⁵⁰ His peeved tone is understandable, because—in contrast with Winkelmann—Veese-mayer only found out after the event that the agreement had already been signed.

But the SS ruthlessly swept aside its adversaries. In 1939 Imrédy was forced to resign as Hungary's Prime Minister, using the excuse that there were Jews among his ancestors, despite him being one of the masterminds of Hungarian Jewish Laws. At the time the Germans denied the accusations brought against their ally Imrédy. But in the summer of 1944, 5 years after this resignation, it suddenly again "came to light"—this time with German assistance—that Imrédy, one of the main leader politician of the extreme right, was partly of Jewish origins, and so he was soon forced to resign from the government too. This weakened Veese-mayer's position as well: Imrédy had been his choice as head of the government from the start, and he tended to favor the Hungarian Renewal Party (Magyar Megújulás Pártja), a political group with Imrédy in the center. The SS lobby even managed to get Hitler to tell Ribbentrop to order Veesenmayer, to stop investigating the Weiss Manfréd case.¹⁵¹

A letter written by SS General Jüttner to Himmler on June 15, 1944 seems to confirm Imrédy's suspicion that the Hermann Göring Werke was involved in the events. In this letter the Commander of the SS-FHA informed Himmler that Becher would personally report to the head of the

SS about Supervisory Board members of the Manfréd Weiss conglomerate now under German control. At the same time, Jüttner advised Himmler against agreeing to the Supervisory Board membership of a Hermann Göring Werke representative named Plüger: "Plüger is a representative of the Hermann Göring concern, and this is what he will always be. His involvement could put the Reichsführer-SS in a difficult situation, and could thereby harm SS economic interests... I would be extremely grateful if in future you would kindly let this matter be handled by the purely SS group proposed by us." Himmler responded on August 15, 1944, and his letter no longer even mentions the representative of the rival industrial giant. Himmler rewarded Jüttner with a seat on the Board of Directors and sent Pohl, the head of the SS-WVHA, to Budapest to oversee the handing over and acceptance procedure.¹⁵²

The Weiss Manfréd affair was a complete success for the SS: the SS acquired a huge machinery and weapon manufacturing base, both Himmler and the SS strengthened their economic position, and Becher gained Himmler's unconditional confidence.¹⁵³

During his Budapest testimonies, Becher tried to convince the Hungarian police that he was looking after the assets entrusted to him not as an SS officer but as the loyal director of a Hungarian-owned company, and in this capacity he wanted to set up a mutual assistance fund for the workers, to be funded by management by way of transferring part of their salary to further the aims of this fund, that one of his main concerns and a constant source of conflict was protecting Jewish workers, etc. Clearly almost none of these was true. The only thing that Becher and the SS could be given credit for is that in the fall of 1944 Becher prevented the blowing-up of most of these factories—out of his own self-interest, of course—and used his influence with his friend SS-Brigadeführer Zehender, commander of the 22nd Maria-Theresa SS-Cavalry Division, who ordered SS soldiers to guard these factories until January. In the fall Becher was appointed to coordinate the evacuation effort, and by his own account was responsible for ordering the relocation by trains and barges of 250–300 items of machinery to the Czech Protectorate and 2,460 to Austria (60 to British-controlled and 2400 to US-controlled territories).¹⁵⁴

The equipment that survived the war, and a large part of Hungary's industrial and economic potential (whether it was originally Jewish or non-Jewish owned) soon became the cause of new conflicts. With the outbreak of the Cold War between the Russians and the US, most supplies were as a rule kept in Austria or Germany. Alternatively, machinery was

decommissioned by the Russians on the territory of occupation or in Hungary for that matter, and was sent to the Soviet Union as reparation. Whatever stayed in or was returned to Hungary went to support the “Peace Camp,” following the nationalization of private property by the new Communist regime, despite the repeated but vain attempts of the original proprietors to recover at least some of their wealth. But this is already a topic for another book.

5. THE KASZTNER AFFAIR

Becher owes his world “fame” and the extremely controversial assessments about his character to the so-called Kasztner affair. Over the last nearly six decades the assessment of Rezső Kasztner’s character has provoked perhaps even more passionate emotions and more heated debate than that of Becher himself. (The scope of this book does not allow us to discuss this extremely complex case in full detail or to make our contribution to the debate about Kasztner’s character.¹⁵⁵)

The German occupation of Hungary on March 19, 1944 did not take by surprise the Budapest Zionist Aid and Rescue Committee (Váádát há-Ezrá ve-há-Cálá Be-Budapest) founded in January 1943, as it already knew from German intelligence officers days in advance about plans for the occupation.¹⁵⁶ Also, in the light of the events of 1942 in Slovakia, it was obvious that the SS would not be averse to discussing the buying of Jewish lives for money. Abwehr-representatives contacted SS-Hauptsturmführer Dieter Wisliceny, a member of the Sondereinsatzkommando Eichmann, who—as in Slovakia—was willing to hold talks.¹⁵⁷ Up to May 4, Dr. Rezső Kasztner and Joel (Jenő) Brand, two leaders of the Aid and Rescue Committee, on four occasions met SEK representatives, including Wisliceny, SS-Obersturmbannführer Hermann Krumei (Eichmann’s deputy in Budapest), and SS-Hauptsturmführer Otto Hunsche (SEK’s legal counsel), and paid the Germans more than 6.5 million pengős, or the equivalent of 200,000 dollars.¹⁵⁸ In the meantime, the ghettoization of the Jewish population of Carpatho-Ruthenia was going ahead at full steam. The Zionist Aid and Rescue Committee did however manage to get Wisliceny and his circle to promise to give permission—in return for money—for a group of 600 Jews to emigrate.¹⁵⁹

The Aid and Rescue Committee contacted Eichmann in late April. At this time the head of the Sondereinsatzkommando called Brand to see

him and presented him with the idea of the later infamous “Blood for Goods” (*Blut gegen Ware/Blut für Ware*) action, and ordered Brand to go to a neutral country and contact the leaders of “world Jewry” and the Allies. Brand was supposed to take with him Himmler’s offer, namely that the Nazis were willing to let one million Jews go free if the Anglo-Saxon Allies agreed to supply 10,000 trucks and a large volume of commodities (soap, tea, and coffee) to the Third Reich.¹⁶⁰ The Germans even promised to deploy these trucks only on the Eastern Front.

The offer essentially reflected Himmler’s tentative attempt to reach a separate peace agreement. The relationship between Himmler and Hitler kept changing throughout the war, and the intensity of the loyalty of the head of the SS for his Führer also changed accordingly. Himmler’s own foreign policy ambitions were more pronounced at times and less intense at others. During the first couple of years after the outbreak of the war, the existence of such conflicts between the Führer and the SS became most apparent in connection with the January 1941 events in Rumania, when Hitler took sides in the conflict between Marshal Antonescu and the Iron Guard in support of the Marshal, while Himmler instead supported Horia Sima’s Iron Guard. Hitler went into a rage and threatened to “smoke out this black plague”—namely the SS—“with fire and sulphur.”¹⁶¹ Schellenberg, the head of the Security Service, or Office VI of the RSHA—the foreign intelligence service (*Sicherheitsdienst—SD Ausland*)—recalled in his memoirs that Himmler consented to letting him build up a cautious, “probing” kind of contact with the Allies already in August 1942. After a series of military defeats, in the first half of 1944 the Reichsführer-SS felt an increasing urge to get in touch with the Western Allies.

“Operation Blood for Goods” was one of Himmler’s attempts in this regard, and was based on the absurd assumption, which was however fully compatible with the Nazi world view, that the road to the Anglo-Saxon block lay through “world Jewry.” The Security Service (SD) of Budapest, which was rather more pragmatic than Himmler, assigned an experienced agent, Andor Grósz (Bandi alias André György or Andreas Greiner) to accompany Brand to Istanbul. Grósz’s mission was to set up a meeting in a neutral country between the SD on the one hand and U.S. and British counter-intelligence officers on the other hand, to discuss possibilities for a separate peace treaty.¹⁶²

It was not a novel idea to allow Jews to leave the Reich in return for money or in exchange for German citizens. Yehuda Bauer quotes a per-

sonal note of Himmler's, according to which Hitler authorized the Reichsführer-SS in December 1942 to let Jews go for a large foreign currency payment.¹⁶³ Himmler ordered potential "exchange Jews" to be concentrated in a special camp by April 1943 at the latest.¹⁶⁴ This is how what became the infamous Bergen-Belsen lager was created. However, there can be no doubt that releasing individual Jews for tactical considerations did not mean relinquishing the policies of total annihilation.¹⁶⁵

Himmler may have been motivated to a certain extent by a desire to equip his own armed forces, the Waffen-SS. According to Eichmann, Himmler wanted to use the trucks to be bought for the SS by way of this transaction to equip Waffen-SS's 8th (Florian Geyer) and 22nd (Maria Theresa) Cavalry Regiments.¹⁶⁶ At the same time, the plan was clearly unrealistic and unfeasible, both from the point of view of Himmler and the Allies. Even if the Western Allies could be persuaded to agree to supply war materials to the enemy, it is hardly conceivable that they would have also agreed to suspend their military operations on the eve of D-Day and to transform their entire logistics base and military strategy to negotiate with the Nazis over the exchange of 1 million people. It is hardly credible that Hitler, who was willing to shut his eyes to the departure of smaller groups of Jews, would also have agreed to let one million Jews leave the Reich-controlled areas. The Führer, moreover, often reacted hysterically to even the slightest hint of talks with the Allies. During the investigation which followed the assassination attempt against Hitler, commander of the Western front Field-Marshal Günther von Kluge was not only accused of liaising with the conspirators, but was also accused of treason for liaising with Anglo-Saxon countries under the cover of making arrangements about prisoners of war and injured soldiers. Doing so was considered in violation of Hitler's orders forbidding any form of contact. Acting in this spirit, Himmler's envoys considered this circumstance as aggravating evidence of guilt during the investigation, and it was even charged that von Kluge's humanitarian actions only served as cover for his real purpose of exploring possibilities for an armistice or a separate peace treaty. The outcome was quick in coming: Kluge died on August 19. According to one of his interrogators, he was shot dead, but he is generally believed to have committed suicide.¹⁶⁷ The leaking out of "Operation Blood for Goods" in July 1944 was embarrassing for Himmler despite the fact that it was never carried out. The Reichsführer was aware of the potential consequences: had the exchange of one million people started, Himmler would have been probably excluded from the Nazi party

not in April 1945, but 6 or 9 months earlier, and might even have been prosecuted by a court martial.

The Zionists, who knew nothing about what was going on behind the scenes, thought that this campaign was the only way to save the Hungarian Jews, a last resort that in any case fell through in the end. As it turned out, Brand was expelled from the country by the Turkish authorities shortly after arriving in Istanbul, only to be arrested in Syria by the British as an enemy spy. The attempt to make contact with international Zionist leaders was unsuccessful: the heads of the Jewish Agency could not persuade their Anglo-Saxon counterparts that they should take the offer seriously. In the second half of July the entire affair was leaked in the international press, provoking Ribbentrop to yet another enraged attack against Himmler.¹⁶⁸ This time Himmler managed to escape Hitler's anger, and obviously some part was played in this, among other things, by the fact that after the assassination attempt against Hitler on July 20, 1944, the "loyal Heinrich" and the reliable Gestapo spearheaded retaliation against the Wehrmacht. Paradoxically, the fate of his victim, Field-Marshal von Kluge, probably served as a serious warning to Himmler, the executioner.

In the meantime, from mid-May onwards talks started to be directed in Budapest by Eichmann on behalf of the SS and by Kasztner on behalf of the Aid and Rescue Committee, the latter waiting for Brand to come back with a positive answer. There was more and more talk about setting a quota of 600 people, an idea that was first suggested during the first phase of the talks. After lengthy deliberations, the quota of those whom the Nazis agreed to let go to a neutral territory in return for a certain sum of money was increased to above 1,000.¹⁶⁹

The Zionists were hard pressed for time, as from mid-May onwards two or three trains a day on average (carrying some 7,000–10,000 people) were leaving Hungary for Auschwitz-Birkenau. At the same time, those arranging the transport put people on the list of "passengers" under constant pressure from various Jewish lobby groups: there were far more people desperate to flee than could be fitted into a quota of 1,000, later increased to 1,300, and even later to 1,700. Finally, the train, which later became known as the Kasztner Train, carried certain prominent religious and secular Jewish figures (writers, artists, rabbis, Zionist leaders) and their family members (including some relatives of Brand and Kasztner and family members of the Jewish Council), in addition to a number of other passengers who got in from various lists (Neolog, Orthodox, Zion-

ists, etc.), Polish and Slovak refugees, orphans, and those who actually raised the vast amount of money to be paid to the SS.¹⁷⁰ After lengthy consultations the SS set the per capita price for one seat at 1,000 dollars. By this time the Aid and Rescue Committee had virtually no money at all, so Kasztner and his team sold 150 seats to wealthy Jews at a multiple of the price in order to raise the necessary financing for others, the majority being unable to pay such a high price.¹⁷¹ As the cash deposits and foreign currency savings of most Jews had been confiscated by the Hungarian authorities by this time, most people paid the price to the Committee in the form of jewelry, gold (gold jewelry, gold bullions and Napoleon gold), platinum, precious stones and other valuables. Besides that, a large amount of pengő, foreign currency, and shares also turned up from various hiding places. Becher's "protégés" were also included on the list.¹⁷² These were wealthy Jews who had known Becher for some time and had paid him large amounts of money for various privileges (for example, getting written exemption from having to wear the Jewish Star). There were nearly 50 of them, relations included.¹⁷³ Becher's protection cost approximately 25,000 dollars on average (see below).

It is unclear exactly how Becher got himself involved in the talks between Brand and Kasztner. Becher himself said repeatedly in his testimonies that Eichmann and Winkelmann told him how the Zionists wanted to come to some kind of an agreement on a commercial basis.¹⁷⁴ Elsewhere he claimed that Kasztner and his team wanted to get in touch with him personally, and moreover that the talks between the Jews and the *Sondereinsatzkommando* were conducted under his "auspices."¹⁷⁵ But neither Brand nor Kasztner made any mention of this. In his testimony at the Eichmann trial Becher said that Vilmos Billitz, his negotiating partner in the Weiss Manfréd case, asked him to go to Himmler to ask him to find some solution to protect the Jews.¹⁷⁶ (Later on after having been personally introduced Kasztner and his people did take advantage of the close relationship between Billitz and Becher for the latter purpose.)¹⁷⁷ It seems likely from Ferenc Chorin's memoirs quoted earlier that Becher found out about the idea of the "Operation Blood for Goods" earlier than was previously thought, i.e. already in April, which is why he tried to promote its implementation with the assistance of the excellently connected industrialist in Switzerland.

During the various stages of the Eichmann trial in Jerusalem (hearings, court case and a book written in captivity), Eichmann totally failed (or did not want) to reconstruct the circumstances of the Brand mission's

opening phase.¹⁷⁸ It turns out from Eichmann's recollections (recorded on tapes by Dutch Nazi journalists, Sassen, in Argentina at the end of the 1950s) that Himmler twice ordered the two SS-Obersturmbannführers to update him on how the talks were progressing.¹⁷⁹

Various memoirs unanimously confirm two facts: firstly, that the transaction was authorized by Himmler, and secondly, that during the first phase of the talks (until the end of May 1944 and the beginning of June) Eichmann and not Becher was in charge of the process. (Becher was simply present at a meeting between Brand and Eichmann.¹⁸⁰) And no wonder: until that time all of Becher's time was probably taken up arranging the Weiss Manfréd deal and trying to get the trucks, which ended in failure at the end of April. But from then on Becher joined the talks with great intensity and step by step gained control over the entire process. In the shadow of the increasingly apparent failure of the Brand mission, Kasztner and his people focused their attention on the passenger list of the "emigrants' train." Becher used his influence to get his protégés on the list, and insisted that the per capita fee of those allowed to emigrate should be raised to 2,000 from 1,000 dollars.¹⁸¹ Finally, on June 20 representatives of the Aid and Rescue Committee handed over to the Germans three massive suitcases with the valuables.¹⁸² Becher and Kasztner met face-to-face for the first time on that very day.¹⁸³

It gradually dawned on the Zionists that they were dealing with representatives of a divided political will, in that Eichmann and Becher both belonged to different political lines within the non-transparent organization of the SS. Kasztner wrote in 1946 that Eichmann "had no choice but to ... make a deal with us, because he was not our only business partner, he also had to take Kurt Becher into account."¹⁸⁴

The relationship between Eichmann and Becher was extremely tense. Eichmann was most irritated by the interference in police matters of an officer of the SS-Führungshauptamt, i.e. a member of the Waffen-SS, and even more by his interference in security matters related to the Jews: "... I was getting angry, and my anger was only fueled by Becher being truly unassailable due to the plenipotentary powers bestowed on him by Himmler," wrote Eichmann in his Jerusalem prison cell.¹⁸⁵ Eichmann complained about Becher to his superior in command, the head of the Gestapo SS-Gruppenführer (Major General) Müller, who effectively did nothing to help his subordinate, and simply answered that he wanted to talk to Becher.¹⁸⁶ But here the matter ended, obviously because Himmler had told Müller to leave Becher alone. Otherwise, Becher would

in all likelihood have been arrested. (Eichmann's going to Müller confirms the presupposition that Becher had no written order of appointment from Himmler. Had Becher presented a clear order to Eichmann, he would have had no reason to go to the head of Gestapo to ask for information and to complain.)

Apart from clashes of authority and resulting personal antipathies, the conflict between the two SS Lieutenant Colonels probably had deeper causes as well. Within the heterogeneous power structure of the Third Reich, the SS was not a homogeneous, undivided center of power, either. SS-Obergruppenführer Reinhard Heydrich, the feared head of the RSHA, who formally reported to Himmler, creating this organization had built up his own virtually independent organ within the SS. When Heydrich died in 1942, a less powerful Austrian, Ernst Kaltenbrunner, took over his place in early 1943, but the RSHA remained an independent power center which even Himmler from time to time found difficult to keep in line, even though Kaltenbrunner's personal influence could not compare at the beginning with that of his predecessor. Himmler repeatedly played off the Economic Administrative Main Office of the SS against the RSHA.¹⁸⁷ Probably this rivalry was another cause of conflict between Becher, who was responsible for economic affairs and had excellent contacts within the SS-WVHA, and Eichmann, who was put in charge of implementing the Endlösung (Final Solution).¹⁸⁸ Theodor Horst Grell, appointed in June 1944 to assist Veesenmayer in liaising between the German and Hungarian authorities responsible for the Endlösung, said the following about this in his testimony in the Eichmann case: "The impression we had at the time was that Becher had Himmler's ear, while Eichmann had Kaltenbrunner's ear."¹⁸⁹ Kasztner's remark about a supposed distribution of labor between Eichmann and Becher ("there was exemplary cooperation between individual offices of the SS: the Jewish command office did the 'liquidating,' while the economic office did the cashing-in"¹⁹⁰) is discredited by his own report, in which the "Leitmotiv" is the permanent conflict between the two SS officers. Such interpersonal rivalries were often the visible manifestations of covert clashes of competence between the parent institutions (meaning the relevant main offices of the SS), which remained coded, in accordance with the nature of a totalitarian regime.

Finally, with Himmler's permission the "Kasztner Train" set off on June 30. On July 8, 1,684 people arrived at a special camp inside the Bergen-Belsen lager, including some who joined the transport on the

way. In early July Horthy stopped the deportation of Jews, but by this time nearly 450,000 Jews had been deported by the Germans from Hungary, including those arrested during the so-called Einzelaktionen. Most of them were sent to Auschwitz-Birkenau, but some 15,000 people were taken to a place in East Austria near Strasshof.¹⁹¹ More than 80 percent of those deported to these locations survived the war. The direct cause for the Strasshof deportation was that SS-Brigadeführer Blaschke, the Mayor of Vienna, asked Kaltenbrunner, the head of the RSHA, to help resolve a labor shortage, and Kaltenbrunner “allotted” 12,000 Hungarian Jews to him.¹⁹² It is unclear whether the Eichmann–Kasztner talks played a decisive role in directing transports to Austria, or whether the Strasshof deportation would have taken place even if the Zionists and the Nazis had not been in contact. The most likely scenario is that Kaltenbrunner forwarded Blaschke’s request to Eichmann, who made the Zionists believe that they had to thank him for this generous act.¹⁹³

July 1944 brought about a stand-off. Even though the passengers from the Kasztner Train were relatively comfortable (being accommodated at a separate section of the Bergen-Belsen camp), they were still under Nazi jurisdiction. The failure of the Brand mission became apparent to the whole world. The Jews of Budapest had managed to escape for the time being, but Eichmann devoted all his energy to restarting deportations. However, as the military position of Germany kept deteriorating, Himmler was playing for time to make contact with the Allies. Moreover, in late June 1944 the international press carried detailed descriptions of the killings taking place at the extermination camps, based on the reports of Jewish prisoners who had escaped from Auschwitz-Birkenau. By this time no country—whether an Allied country, a neutral state, or an Axis country—could deny knowledge of what had already been known to many earlier on: that, like a large part of the European Jews, the vast majority of Jews living in the Hungarian countryside were also being murdered in the gas chambers.

The confidence vacuum that followed the assassination attempt against Hitler on July 20, 1944 played into the hands of Himmler. Hitler forthwith appointed him commander of the reserve army which played a key role in the revolt, as a result of which the Reichsführer-SS now had a foothold in the Wehrmacht, an organization he had long considered out of reach, which allowed him to widen his power base at the same time. After the assassination attempt Himmler’s mind was prey to hesitation, the Nazi fanatic and loyal Hitler-supporter first dominated, then with-

drew again in his persona.¹⁹⁴ At any rate, he did not give up the idea of conducting talks with “World Jewry.” First Joseph J. Schwartz, European Director of the American Jewish Joint Distribution Committee (Joint Committee), seemed to be the potential partner in this, but as a U.S. citizen, Schwartz could not gain permission to make contact with the Nazis.¹⁹⁵ Schwartz suggested that as a citizen of a neutral state Saly Mayer, the Joint’s Swiss representative, should be delegated to the talks.

On August 21, 1944 a series of negotiations that with many turns was to last up until February 1945 started on a bridge on the frontier between Switzerland and the Third Reich. The bottom line of these negotiations was that the Nazis expressed their willingness to save the lives of any Jews still alive, provided that “World Jewry” and the Anglo-Saxon countries give the SS large quantities of money and/or goods.¹⁹⁶ This is one of the most crucial periods in the Becher story, and took place against a background of highly significant events. In August 1944 Himmler ordered a stop to the deportation of Budapest Jews, and in October–November 1944 ended mass destruction on the remaining territory of the Reich. Then Szálasi came to power in Budapest, giving Eichmann a fresh opportunity to deport Budapest Jews. However, his efforts were only partly successful.

Saly Mayer, the Joint Committee’s Swiss representative, represented “international Jewry” during the talks. In practice, Mayer was bound in hand and foot by two reasons. Firstly, he had instructions from the U.S. not to promise anything (money, goods) but to keep the talks rolling along all the same, in order to leave the door open to an anti-Hitler pact and to play for time for any Jews still alive in the Third Reich. Secondly, his own moral principles prevented him from unscrupulously bluffing with the Nazis in order to save lives. “While they kept moralizing, we feared for our lives,” Kasztner burst out with justified indignation in his 1946 report.¹⁹⁷

Other participants in the talks included Becher and his assistants, acting on behalf of Himmler. The Germans were on a forced trajectory despite holding in their hands one of the most important trump cards: the remainder of the Jews. The constantly deteriorating military and political situation motivated Himmler and Becher, his envoy, to press ahead with the talks regardless of the circumstances. Even though they failed to show any tangible material results—for they ended up with no goods, no foreign currency, and no credit line in Switzerland—they were still obliged to allow the “Kasztner Jews” in Bergen-Belsen to go to Switzerland in two stages (on August 21 and December 7, 1944) as a “sign

of goodwill.” This was partly because from the late fall of 1944 financial gain started to play a secondary role, the primary objective now being to establish links with the Allies.

Undoubtedly, Rezső Kasztner was in the most difficult situation of all. With the aforementioned Vilmos Billitz on his side, Kasztner was trying to make a decisive impact on the outcome of the talks, while his own status remained unclear. Kasztner put constant pressure on Saly Mayer to pretend that during the talks he really did represent the supposed engine behind the actions of the Anglo-Saxon powers, “World Jewry,” and to try and delude Becher (and so indirectly Himmler) that the SS were in fact negotiating with a Jewish world power whose hands could reach anywhere.

The Nazis finally got one of the things they wanted: a representative of the U.S. authorities willing to directly join the talks. Roswell D. McClelland, the representative of the War Refugee Board in Switzerland, a U.S. government agency founded in January 1944, turned up at the negotiating table and met with Becher, Himmler’s envoy, in Zurich on November 5, 1944. Finally making this contact helped the Nazis to forget about the otherwise complete fiasco of the talks.

It complicated the situation that Himmler was talking not only to Saly Mayer and the Joint Committee, but also to Saly Mayer’s sworn enemies (it is no exaggeration to use this expression) namely the Sternbuch brothers of Switzerland and their aid agency. These approached Jean-Marie Musy, former Swiss President (1925–1930) and an old friend of Himmler’s, asking him to help forward their offer to the Reichsführer-SS. This deal, too, was supposed to be based on the “money and goods in return for Jewish lives” principle. Musy managed to find a way to get in touch with Himmler, namely through Walter Schellenberg, the head of SD Ausland (Secret Service Intelligence), who had been busy himself for a long time trying to make contact with the Allies, against the overall strategy of the RSHA. They first met in early November 1944. The contact yielded tangible results in February 1945 when 1,210 deportees arrived from Theresienstadt at a Swiss safe-haven.¹⁹⁸ During the talks, bitter rivalry unfolded between the Becher–Kasztner–Mayer and the Schellenberg–Sternbuch–Musy groups, both of which were linked to Himmler. In 1944 Becher was still a step ahead of the others: he had started talks with the Zionists already in August, had managed to get to McClelland at the very beginning of November, and—what was relevant both to the Jews and the Americans—got the “Kasztner Train” to Switzerland by early December.

After the war, Becher credited the talks and himself for the following results:

- in August 1944 Himmler banned deportations from Budapest;
- in the late fall of 1944 Himmler under Becher's pressure stopped mass destruction on the territory of the Reich;
- the so-called death marches from Budapest in November 1944 were stopped thanks to Becher's intervention;
- during the last phase of the war, thousands of Jewish refugees still held in concentration camps were saved from death thanks to Becher's actions.¹⁹⁹

To this Kasztner added the following comment on August 7, 1947 in Nuremberg: "During the months of November and December 1944 and in January 1945, nearly 85,000 Jews were not deported from Budapest ghettos and were not killed thanks to Becher's intervention, even though the Hungarian puppet government had already made plans and had decided to exterminate the population of these ghettos."²⁰⁰

In the following pages we are going to look at the truthfulness of Becher's and Kasztner's respective statements.

6. STOPPING DEPORTATIONS AND DEATH MARCHES FROM BUDAPEST

In August 1944 nerves were near snapping point in Budapest. The Germans were stepping up pressure on the Regent, those around him, and the Hungarian authorities to restart the deportations that had been stopped in July. Horthy's resistance was weakening. In the second week of August, Hungarian Prime Minister Sztójay, the head of a somewhat transformed government that nevertheless still continued to function as a "quisling" cabinet, reassured German ambassador Veessenmayer that the deportation of Budapest Jews, the only community still remaining in Hungary apart from some forced-labor units, would restart within 14 days. On August 13, the newly appointed Minister of the Interior, Miklós Bonczos, repeated this promise to Eichmann.²⁰¹ The date was set for August 25, 1944.

But movements on the front line crossed over this plan. On August 20 the Red Army launched an attack at Jași-Kishinev against the Rumanian army. The Red Army successfully completed the attack within a couple of days, and on August 23 a pro-monarchist military group overthrew Marshal Antonescu's rule in Bucharest, whereupon Rumania changed its

allegiance to the Allies. According to Randolph L. Braham, this was the decisive motive that prompted Himmler to cancel the deportation planned for August 25. Braham claims that the Reichsführer-SS wanted to keep Hungary on the side of the Third Reich at any cost, and this is why he temporarily took a radical step back on the Jewish issue.²⁰² If this was so, then Himmler obviously acted on Hitler's initiative. The desire to win the war once again proved more important than the destruction of the Jews.

The Becher–Mayer–Kasztner talks were held during these very days. On August 25, 1944 Becher sent the following telegram to Himmler: "The other side have declared that should more deportations take place inside the Reich, potent authorities would not take the talks seriously, and that would mean that they are doomed to failure. In the meantime the Reichsführer's relevant order has arrived. I beg permission to continue with the talks in the spirit of this piece of information."²⁰³ Himmler's relevant order must have been the one that halted deportations from Budapest. As is apparent from Veesenmayer's telegram to Ribbentrop, Himmler's telegram halting the deportations was delivered to Winkelmann in Budapest early in the morning (3 a.m.) on the same day, August 25.²⁰⁴ In other words, the decision must have been taken on August 24. On August 26 Himmler sent a telegram to Becher and gave permission to continue the talks.²⁰⁵

To recapitulate the events in chronological order: on the night of August 24, or early in the morning on August 25 at the latest, Himmler makes his decision. Then the Reichsführer-SS informs Becher and Winkelmann thereof, then Becher receives the "relevant order," and reports to Himmler that his decision was an essential precondition for continuing the talks. So the process can roll on, and Becher now asks for his superior's authorization for this. Finally, Himmler gives his permission.

But this means that Himmler's actions were not made under direct pressure from Becher, or under the influence of the talks with Saly Mayer. It is possible of course that straight after the meeting of August 21 (that is, still before August 24) Becher urged Himmler to order his Budapest staff to cancel the deportation, but there is no proof whatsoever to support this presupposition. Kasztner, who was staying with Becher for all this time, explained Himmler's decision as follows: "Himmler respected the diplomacy moves of the Hungarian government to some extent. He thought it was wise—after Rumania had quit the Axis Powers—not to hurt Hungarian sensitivity too much."²⁰⁶ Kasztner is obviously not the

most competent source to judge the motives behind the decisions of the Reichsführer-SS, but at the same time he would probably have known if it really had been Becher who persuaded Himmler to stop the deportations. Yet, Kasztner does not say anything like this.

Braham's above quoted version seems to be the most credible of all, even though the Becher–Mayer talks already underway at the time may also have played some role (even if not a major one) in Himmler's decision. But the decisive factor was clearly the loss of Rumania and its catastrophic consequences: the Wehrmacht lost more than 380,000 soldiers, the South Ukrainian army group collapsed, the German army no longer had an uninterrupted front line, and German troops occupying Yugoslavia, Greece, and Albania were cut off. The big question in the coming weeks was whether the Wehrmacht could put up any resistance in Rumania and Hungary at the same time, and evacuate the Balkans without suffering once again a loss of several hundred thousand men. In this new scheme of things the fate of Budapest Jews lost all relevance: it is typical that Eichmann and his people, who were now left without a job, were given the task of taking advantage of the power vacuum to resettle the Transylvanian Saxon population from the territory occupied by Hungarian troops who burst into Southern Transylvania (Rumania).

There is no more clarity about the causes of stopping the death marches started in November 1944. All we know about the circumstances of starting these marches is that Eichmann traveled to Budapest immediately after the Hungarian Nazi putsch of October 15 carried out by the Arrow Cross movement with German assistance in order to make preparations for the deportation of the Jewish population of Budapest. On October 17 (the very day of his arrival) Eichmann agreed with the new Arrow Cross Minister of the Interior, Gábor Vajna, to send 50,000 Jews on a foot march ("im Fußstreck") to the Reich.²⁰⁷ On October 20 Jewish men aged 16–60 started to be collected, and in two days time the Arrow Cross authorities extended the underlying regulation to include women as well.²⁰⁸ On October 26 General Károly Beregfy, the new Arrow Cross Minister of Defense, ordered the handing over of 70 companies of labor servicemen to the Germans. In early November new orders were issued for women.²⁰⁹ Starting from November 8, Jews thus collected were sent to the Western frontiers of Hungary. (In some locations, expedition started already on November 6.²¹⁰) Although a decree from the Minister of the Interior ruled that "the Hungarian royal army shall escort the expedition on the way," these escorts included armed "national guards" and Arrow

Cross servicemen.²¹¹ According to the official scenario, Hungarian Jews were supposed to work on fortification projects in the former Austro-Hungarian frontier zone, then a frontier between Germany and Hungary, and be well fed, but in practice the “handing over of labor force” turned into a death march, a new chapter in the history of the Hungarian Endlösung, due to the horrendous circumstances and the brutality of the escorts.²¹²

Kasztner claims that SS-Obergruppenführer Hans Jüttner, the head of the SS-Führungshauptamt (one of Becher’s superiors), who came to Hungary at Becher’s invitation, was outraged by what he saw along the road from Vienna to Budapest, and upon arriving in Pest on November 17 “issued an order to the Budapest Jewish command office to stop the march immediately.”²¹³ The story sounds highly implausible. Jüttner came to Hungary not at Becher’s invitation—the SS was not the kind of organization where Lieutenant Colonels could tell Generals what to do—rather, his visit was motivated by a wish to inspect the equipment and training standards of two SS Cavalry Divisions. He also paid a courtesy visit to Szálasi, the new Hungarian “Führer.”²¹⁴ Furthermore, Jüttner was not in a position to issue orders to the “Jewish command office,” i.e. Eichmann and his staff, without Himmler’s or Winkelmann’s permission. Similarly of course, RSHA chief Kaltenbrunner had no authority over Waffen-SS front units. Moreover, Jüttner never claimed that deportations were stopped under pressure from him. All he said in his testimony in the course of the Eichmann-trial is that he contacted Winkelmann, and through him the Sondereinsatzkommando, but that he did not meet Eichmann face to face.²¹⁵

Apart from Jüttner, one other person protested against the death marches: Rudolf Höss, former Auschwitz-Birkenau camp commandant and now Head of Department of the SS-WVHA responsible for the deployment of Jewish workers in the Niederdonau region (Leiter Judeneinsatzes im Niederdonau-Gebiet). Höss, who according to Kasztner was sent together with Jüttner by Himmler, and whose task was, together with the members of the Eichmannkommando delegated to him, Abromeit and Wisliceny, to await and receive Jews on the frontier, was outraged by what he saw on the road.²¹⁶ What he needed, and nothing more, was “men in top working condition, if possible no older than 40” (“bestarbeitsfähige Männer, möglichst nicht über 40 Jahren”), that is, those who could do “particularly hard” (“besonders schwere”) work. When he saw old people and women limping in, he said that he “was thinking of sending back the

unfit marching contingents from the borders of the Reich, and that it was only for political reasons that he had not done so earlier.”²¹⁷

The marches continued until early December, and the number of victims kept rising due to the roadside killings by armed escort guards. The diplomatic corps in Hungary were trying to put pressure on the Szálasi government to end the situation. During this period one of the main foreign policy objectives of the Arrow Cross leader Szálasi was to win recognition for his rule from foreign governments,²¹⁸ so these protests did not go unnoticed. Szálasi decided that only men in fit working condition (who were nearly all doing labor service) should be sent on foot from the Hungarian capital to the frontier, whereas women should be sent on trains instead, and a ghetto should be set up for those incapable of work in Budapest.²¹⁹ Veessenmayer informed German Minister of Foreign Affairs Ribbentrop about the decision on November 21, noting that this “practically means stopping the expediting due to our inability to arrange enough new trains.”²²⁰ At Ribbentrop’s insistence Veessenmayer tried to persuade Szálasi to give up the idea of setting up a ghetto, and to remove Jews from Budapest instead. Szálasi promised to take into account “the wishes of his Excellency, the Minister of Foreign Affairs of the Reich, to the greatest possible extent.”²²¹ Yet, in reality preparations had been underway for setting up the ghetto for several days by then, and the death marches were gradually phased out.²²²

Without Himmler’s decision the German authorities (meaning principally Eichmann) would probably not have resigned themselves to having the marches ended. By comparing several testimonies, we can reconstruct the circumstances of how this decision was made.

Allegedly, Becher was returning from Switzerland to Budapest via Vienna, and he saw the death marches on the way.²²³ Jüttner said he met Becher somewhere between Vienna and Budapest, and Becher was blaming Eichmann and his people for everything.²²⁴ Winkelmann recalled being visited by Jüttner to protest against what he had seen.²²⁵ Supposedly, Becher did the same and together with Winkelmann sent a telegram to Himmler on the subject, asking him to stop the marches.²²⁶ But the final decision was taken only later on in Berlin: Becher and Winkelmann probably reported what they had seen, then Himmler called Müller and banned any future marches.²²⁷ In another, subsequent testimony Becher to be sure tells a different version of the story, this time claiming that in mid-November he went to see Himmler in East Prussia, and that Himmler issued an order in Winkelmann’s presence about suspending the

marches. Allegedly, Winkelmann traveled to Budapest himself to give the order to Eichmann.²²⁸

Both of them of course wanted to claim the credit for themselves, and Winkelmann does not even mention Becher. According to Kasztner, on November 26 Becher returned to Budapest with the news that "Himmler has sent orders by telegram to stop the marches from Budapest."²²⁹ As has already been pointed out, Becher later credited Himmler's decision as his own achievement. The dates are roughly correct: it must have been some time between November 20–25 that Himmler resigned himself to the Hungarian Arrow Cross regime's attempts to get away from its obligation to "hand over labor force." Himmler may simply have told Becher about the order, but it is also possible that Becher did indeed influence the Reichsführer-SS by telling him about the successful outcome of the talks in Switzerland (the meeting with McClelland). There is no concrete evidence whatsoever to suggest that the telegram was indeed written under pressure from Becher, while it is also true that there is no hard evidence to the contrary, either. It is far more likely that individual protests by Höss, Jüttner, Winkelmann, and Becher had a cumulative effect. But this was not the most important thing, anyway.

It is indeed conceivable that Himmler never consented to stopping the death marches at all, as no firm sign of his approval was required in July 1944 either.²³⁰ At that time Regent Horthy banned deportations by his own authority, irrespective of German intentions. Just as Hungary's Regent did not ask for Himmler's (and/or Hitler's) approval for his decision, so now Szálasi did not ask for their consent either, and simply divided Jews into six categories by a decree issued on November 17. The "Exchange Jews" to be handed over to the Germans were only one of them, and handing over any others was never even an issue.²³¹ Himmler's order banning the death marches was superfluous: it was simply ignored. The handing over of the selected group ended in early December, thereby solving the problem.

But these events had more far-reaching implications. According to Becher, Himmler called both him and Eichmann to meet him at the same time, because Eichmann had refused to obey the Reichsführer-SS's order forbidding the death marches.²³² Now it is likely that there really was such a meeting between Becher, Himmler, and Eichmann; however, neither the dates nor the number of such meetings are clear. Eichmann, living in Argentina during the 1950s, said that he met Himmler together with Becher on two occasions in connection with the Brand case,²³³ yet, later

at his trial he denied having ever met the Reichsführer-SS face to face in connection with the "Operation Blood for Goods."²³⁴ In the written minutes of his interrogation he mentions in one place that he and Becher once visited Himmler in May–June 1944.²³⁵ Becher, too, mentions just one meeting, but recalls that it took place in early December 1944, roughly the time when the death marches were stopped.²³⁶ According to Becher, Himmler unleashed his anger on Eichmann: "Given that you have been murdering Jews up until now, tell me: will you obey my order if I now order you to look after them, or not?"²³⁷ After Himmler let Eichmann go, Becher (allegedly) begged Himmler virtually on his bent knees to make up with the humiliated SS Lieutenant Colonel, or else "this man will do everything in his power to act against your orders." To do as Becher suggested, and to placate Eichmann, Himmler awarded the latter a war medal of average prestige (Kriegsverdienstkreuz 1. Klasse mit Schwertern).²³⁸ Eichmann was not the only one to whom this story sounded incredible,²³⁹ even if the reasoning of Gabriel Bach, an attorney in the Eichmann case, is not entirely without logic, namely that Himmler was not so much afraid of Eichmann, but rather indirectly of Kaltenbrunner, the increasingly influential head of the RSHA. According to this scenario, Himmler tried to iron out the conflict with Eichmann, to prevent him from complaining to Kaltenbrunner, the head of the RSHA, and the latter in turn complaining to Hitler.²⁴⁰

7. HALTING THE MASS EXTERMINATION OF THE JEWS

Hundreds of academic publications have been written about how Hitler ordered the *Endlösung* to be set in motion,²⁴¹ yet few researchers have taken an interest in trying to reconstruct the exact date and circumstances of how Himmler issued the order stopping the mass murders. While its importance hardly needs to be explained, over the last couple of decades international publications have failed to give this crucial question the treatment it deserves. And what is even more surprising, nearly all researchers rely exclusively on the 1946 testimony of Becher, even though—as it is clear from what has been told above, and will become even more apparent from what is still to come—his account has dubious credibility to say the least, given that he was desperate to save his own skin.

But first of all, let us see what Becher himself had to say on the subject. In 1946 he described the events leading up to Himmler's order as

follows. Becher urged Himmler that something needed to be done to foster the success of future talks, pointing out the previous success of the talks with the Joint in Switzerland. Becher tried to do so because he finally found out from his Jewish negotiating partners in Switzerland that a large scale extermination campaign was underway against Jewish victims. While Becher did hear even earlier on—during his talks with Kasztner and his people in May 1944 in Budapest—that deported Hungarian Jews were being taken to Auschwitz not to work but to be killed, he became firmly convinced of the truthfulness of this “gossip” only 4–5 months later, during his talks in Switzerland. Thus illuminated, Becher returned to Berlin, where he convinced Himmler to order the destruction to be stopped: “Approximately between the middle of September and the middle of October 1944, I brought about the issuing of the following order from Reichsführer-SS Himmler, of which I received two originals, one each for SS-Obergruppenführers Kaltenbrunner and Pohl, and a carbon copy for myself.” According to him Himmler’s order went as follows: “Effective immediately I forbid any destruction of Jews, and on the contrary order that weak and sick persons must be cared for. I hold you (meaning Kaltenbrunner and Pohl) personally responsible if this order is will not be complied with strictly by subordinate echelons.”²⁴²

In other words, Becher claimed credit for nothing less than having persuaded the Reichsführer-SS “between the middle of September and the middle of October” to order camp commandants to end mass exterminations.²⁴³ (A few days earlier in another testimony, also in Nuremberg, Becher had stated that this happened in the middle of October.²⁴⁴) Himmler dictated the order to his secretary himself in Becher’s presence. Becher had the following to say about subsequent events: “I transmitted to Pohl the copy made for him in his office at Berlin, and left the copy made for Kaltenbrunner in the office of his secretary in Berlin.” After having done everything he could, Becher thought: “in my opinion Kaltenbrunner and Pohl are responsible for any further killings of Jews after this date because of the above.”²⁴⁵

And what about the subsequent actions of the brave SS-Obersturmbannführer who managed to stop the destruction of Jews in September–October? During the next 5 weeks he went ahead with the talks with Kasztner, then went to Switzerland, where this time (early November) with the assistance of the Hungarian Zionist leader he finally met a high U.S. official, McClelland, face to face. In the middle of November Becher traveled to Berlin to report to the Reichsführer on the progress of the

talks. According to Kasztner, Becher brought about the issue of the order stopping gassings not in September or October, but in the second half of November, and upon returning to Budapest showed a copy of this order not only to Eichmann but to Kasztner as well. We have already quoted Kasztner where he claims that Becher returned to Budapest on November 26, saying that Himmler had sent orders by telegram to stop the death marches of Hungarian Jews to the West.²⁴⁶ At this point it becomes quite impossible to distinguish the circumstances regarding the two alleged pieces of good news—the stopping of the death marches and the stopping of the gassings.

According to Becher, Eichmann was far from enthusiastic at the idea of having the extermination stopped, and his reaction was controversial, to say the least: “Well, it is true, there were some Jews killed in Auschwitz, but there were also some committed for labour service... Because of this order, now all that is left for me to do is to pack up and leave. If the Jews are not being killed anymore, I cannot deport any more Jews to Germany.”²⁴⁷

Now let us see what the situation was in Auschwitz-Birkenau at this time. The mass extermination of the Hungarian Jews marked a turning point in the history of the death factory, a climax in its existence. As it was mentioned above, over the 56 months of its existence, some 1.1 million Jews were brought to the camp from all over Europe. 40 percent of them, i.e. 430,000 people, came from Hungary in the early summer of 1944 in a space of 8–10 weeks, crammed in overcrowded trains.²⁴⁸ Never before were so many people killed in such a short period of time. The destruction of such a large number of people confronted SS-staff with tasks of unprecedented magnitude. The size of the Sonderkommando responsible for cremating the dead was increased from 224 to 900.²⁴⁹ Rudolf Höss was ordered back from the Inspectorate of the Concentration Camps to Auschwitz in May 1944 to take charge of the destruction of hundreds of thousands of Hungarian Jews sent by Eichmann.²⁵⁰ The most competent “expert” was thus put in charge of the destruction of Hungarian Jews, which is why the entire operation was named after him: “Operation Höss.” As we have already mentioned, Höss recalls this Hungarian period of Auschwitz in his memoirs as the time when “the highest total of people gassed and cremated within twenty-four hours” exceeded 9,000.²⁵¹ His subordinates also stated that this was the period, when the machinery of destruction in Auschwitz “reached its climax.”²⁵² In August 17,000 deported Jews, and in September more than 10,000 were

brought to the camp from occupied Western and Southern Europe, including the last French, Dutch, Greek, and Italian Jewish transports. The last survivors of the Łódź ghetto, nearly 60,000 Jews, were also killed during this period.²⁵³ By late September, 200 members of the Sonderkommando, the headcount of which had been increased in May, were gassed in the Auschwitz main camp: they were no longer needed, as the number of transports had started to decline. Concerned by the prospect of further “selection,” the Sonderkommando rebelled on October 7, resulting in the death of 451 Jews and 3 SS guards, plus the destruction of Crematorium IV.²⁵⁴ In addition to the 152 Hungarian, 14,403 Czech (from Theresienstadt), 102 Italian, and 31 German Jews 3,413 new prisoners arrived at Birkenau from other camps in October. Several thousand Jews arrested during the Slovakian uprising were also gassed in October.²⁵⁵ One of them was Gizi Fleischmann, a brave leader of the Slovakian Aid and Rescue Committee and former informant and colleague of Kasztner.

Authors disagree about the exact date of the final end of gassings.²⁵⁶ According to the latest research findings, the chronology of the last few days was as follows: on October 28, 137 Jewish men from the Bolzano transport were gassed; on October 29, the incapacitated members of an RSHA transport from the labor camp in Sered (Slovakia); and on October 30, 83 percent of a Theresienstadt transport of 2,038 people (1,689 Jews). This was the last selection at the Birkenau Jewish ramp (Judenrampe). Two days later, on November 1, 73 women were executed—most probably shot dead in a crematorium building—but on November 3 an entire transport from Sered (990 people) were already registered without selection.²⁵⁷ As smaller scale killings, similar to the one on November 1, whereby men and women incapacitated by starvation and sickness were liquidated, took place even after gassings stopped—according to incomplete documentation, 439 women prisoners died between November 1–30, of whom 322 were executed—it is clear that the order stopping mass exterminations must have come from Berlin some time between October 30 and November 3.²⁵⁸

The order for the demolition of the crematoria was issued on November 24–25. Having completed the destruction of the Hungarian Jews, Höss was ordered to return once again to the SS-WVHA. His successor, the new Auschwitz commander SS-Sturmbannführer Richard Baer, informed his subordinates in Garrison Order no. 29 (dated November 25) that the head of SS-WVHA, SS-Obergruppenführer Pohl, had

ordered an administrative reform, whereby the Auschwitz main camp (Auschwitz I Stammlager) was to be merged with the Birkenau extermination camp (Auschwitz II) under the name of Konzentrationslager Auschwitz, and the nearby industrial estate (Auschwitz III) was to receive independent camp status and to be named Konzentrationslager Monowitz.²⁵⁹ By this time Pohl had obviously learnt of Himmler's decision, and was quick enough to draw its conclusion: with exterminations conclusively ended, the Birkenau death factory, too, ceased to exist in the formal sense of the word.

The demolition of crematorium equipment (with the gas chambers inside) started on November 25. This date can not be disputed. Excavation work around crematorium buildings after the war unearthed a few records by Sonderkommando members evidencing the killings. One of these was a set of short "notes" (Notizen), which the reference literature for decades attributed to an "anonymous author," as researchers were unable to decode the abbreviation "A. J. R. A." which hid the author's name. After lengthy searches it turned out that the initials were a hint at the author's Hebrew name in the form "Árje Jehudá Régel Áruchá," the last two words meaning "Long-Foot."²⁶⁰ Even before these notes came to light, several unearthed memoirs and books written by members of the Sonderkommando after the war mentioned a young Orthodox Jew, the *dayan* of Makow-Mazowiecki (a judge in charge of the religious or Halakhic affairs of the Jewish community), by the name of Leib (or Lejb) Langfus (or Langfuss, 'Long-Foot' in German). The exact date of the demolition of the crematoriums can be unambiguously reconstructed from his notes: "Today, on November 25, the demolition of Crematorium II started, and will be followed by the demolition of Crematorium III. Interestingly, the engine and the pipes of the ventilation unit were dismantled first and sent to other camps, some to Mauthausen, and the rest to Gross-Rosen."²⁶¹ The credibility of Langfus's report is unquestionable, even though he was no longer around after the war to confirm it. The last entry in the notes is dated the next day, and ends as follows: "Now we are being taken into the zone. The last 170 remaining of us. We are certain that we are going to meet our death. 30 people have been selected to stay in Crematorium V. Today is November 26, 1944."²⁶² Langfus was correct: 70 people were assigned to work on the demolition project, while 100 were taken to have a bath, only to be killed not far off from the camp.

Filip Müller, a survivor of the last Sonderkommando selection, recalled that Langfus, the "young Rabbinical student who worked in the

hair-drying team,” stepped out of the line to rebuke the lying SS officers, and then addressed a speech to his fellow-men, ending it with the following words: “We should be alone, without a family, without relatives, without friends, without a place we might call our own, condemned to roam the world aimlessly. For us there would be neither rest nor peace of mind until one day we would die in some corner, lonely and forsaken. Therefore, brothers, let us now go to meet death bravely and with dignity!”²⁶³

Now let us return to Becher and to October 1944. According to Kasztner’s report in 1946, at this time there was considerable tension between Becher and the Zionists because the talks had temporarily run aground. Kasztner and his people asked for Becher’s help when the Arrow Cross regime seized power and Eichmann returned to Hungary, but the answer was rather pessimistic: “What can I expect from future talks, when your friend cannot even get me a visa to Switzerland?”²⁶⁴ Finally, on October 25 the Swiss visa arrived, and on November 5 Becher met McClelland in Zurich (as told above). Is it conceivable that Becher would not have told Kasztner, and even more importantly McClelland, about having successfully stopped the mass extermination, that he would not have boasted of his achievement? Hardly. According to Kasztner, Becher answered McClelland’s demand that the lives of all prisoners in German hands be saved, irrespective of race, gender or age, simply by saying that he would forward it to the Reichsführer.²⁶⁵ During the whole meeting Becher never said a word about having already persuaded Himmler to order the destruction to be stopped. Becher’s promise to forward the demand to save Jewish lives to Himmler is confirmed by Harrison, an American diplomat in Bern, in a telegram addressed to the U.S. Department of State about the talks.²⁶⁶ Still, it is unlikely that Becher would have promised to do something, which according to his later testimonies he had already done.

Some time around November 17, Becher went to Berlin, and—according to Kasztner—returned to Hungary on November 26, triumphantly claiming: “I have been the winner in everything.” “He told us”—Kasztner goes on—“that his report had been extraordinarily well received by Himmler. Himmler ordered the destruction of Jews to be stopped immediately. Gassings in Auschwitz were to end immediately, and the gas chambers were to be dismantled.”²⁶⁷ In 1945 Kasztner said in a testimony that he even saw the order itself, dated November 25.²⁶⁸ (Schellenberg also claims credit for himself for the same order, which he claims was brought about by the success of his own talks. According to

him, the order was issued not on November 25, but in early November, and not in Becher's but in Jean-Marie Musy's presence, when the former Swiss President met Himmler for the first time.²⁶⁹)

Is it possible, then, that Becher reversed Himmler's policy of extermination not in October, but at the end of November? No, because the relevant order arrived in Auschwitz-Birkenau in the beginning of November at the latest. According to Biss's story, Himmler issued the order verbally already in October, and only confirmed it in writing at the end of November under Becher's pressure.²⁷⁰ It was possibly so, but it still does not explain why Becher did not mention the order to Kasztner or to McClelland in early November. Clearly this was because it wasn't him who influenced Himmler to issue the order in the first place, indeed, Becher did not even know about Himmler's decision. But the question then is: why did Himmler not inform his envoy about the existence of the order before talks in Switzerland began? This of course gives a good indication of Becher's real importance, or rather the lack of it, and the incidental nature of his position. The only way in which this contradiction might be resolved is by saying that Becher put pressure on Himmler while he was in Switzerland for the talks, and Himmler promptly issued the order as a result. The problem with this theory is not only that there is no one—neither Kasztner, nor the Americans, nor Mayer, nor Biss, and not even Becher—who thought to suggest anything like it. This version is also unlikely to be correct because when on November 2 Becher went to Zurich, the order had definitely been issued already, because on the next day (November 3) the Jewish transport from Sered was already exempt from selection in Birkenau.

Whatever the case may be, it can almost certainly be excluded that Becher played an important role in the birth of the first order to stop or suspend the killings. It is not totally impossible, however, that Becher did influence Himmler in connection with the second order (November 24–25) about the dismantling of the crematoria. But this was an issue of secondary importance: the front line was drawing ever closer, the Auschwitz complex had been in the process of being evacuated step-by-step for months, and prisoners were being taken to the central territories of the Reich; moreover, there were not significant numbers of Jews left to be destroyed on a constantly shrinking territory still controlled by Germany, and the few who still remained had started to become more important as a source of labor. The destruction machine lost its relevance, and Himmler must have borne in mind that a rapid Russian advancement

could result in a repeat of the embarrassing fiasco of July, when the Majdanek camp was seized by the enemy in its entirety, with gas chambers and furnaces. He could not allow this to be repeated at Auschwitz-Birkenau. But what exactly happened we will not ascertain until new research discovers more documents. It seems likely, however, that the Nazi-Jewish negotiations influenced the halting of the mass extermination to a certain degree. In accordance with Höss' testimony—which is, for the matter, over-abound in factual mistakes and half-information—Himmler stopped the mass annihilation in November 1944. According to the former commandant of Auschwitz-Birkenau, "he [Himmler] issued this ban as a result of negotiations with Jewish representatives, among them were envoys of the Zionist leader Weissmann (sic!). Becher in Budapest, in Switzerland and Turkey carried out the negotiations. They were based on the idea the Jews were to deliver various goods in exchange for Jews the Germans kept. Because foreign Jews' representatives demanded immediate stop to the destruction actions, the German side prolonged the negotiations as much as possible to win some time and annihilate as many Jews as possible. Only in November 1944, Himmler finally acceded to the condition given by the Jewish representatives, that is, immediately stop the action."²⁷¹

To summarize, in our opinion the likely scenario is that a twofold decision was taken about ending—as about starting—the *Endlösung*:²⁷² in late October–early November Himmler suspended gassings only temporarily, without meaning this to be a final arrangement, but 3–4 weeks later made his decision final and ordered the demolition of the infrastructure of destruction.

An interesting piece of the Becher myth is found in Ofry Dán's book entitled *Egy évszázad tanúja* [The Witness of a Whole Century]. This book tells the life story of Dr. Dezső Hermann, a Jewish lawyer who was saved by Kasztner. The book contains an extravagant statement, that Becher was the greatest rescuer in history.²⁷³ On page 112 Dr. Hermann claims: "A secret document was discovered at the Foreign Ministry of Nazi Germany, evidencing the sensational fact that in reality SS-Colonel Kurt Becher was the one under whose persuasion in October 1944 Heinrich Himmler ordered the immediate stopping of the gassings." It is a pity that this "document" is so "secret" that neither Ofry nor Hermann would share it with the reader, nor quote from it, present it, or explain it. (The documents that are reproduced in the book, however, deserve special mention.²⁷⁴) Hermann goes even further: "I am in possession of a number of interesting documents indicating that under Becher's pres-

sure Himmler's decree was sent to the commandants of all death camps."²⁷⁵ Apart from the fact that in the fall of 1944 "the commandants of all death camps" meant only one person, namely the commandant of Auschwitz-Birkenau, because all other extermination camps (Treblinka, Sobibor, Belzec) had already been closed down one or two years earlier, and no killings were taking place in Chełmno at this time, the book does not give any information about these "interesting documents" either. Instead, Ofry quotes Hermann making reference to a Jewish woman who worked on the demolition of the gas chambers herself. Then Ofry includes as conclusive evidence a long quote from a book by Miklós Nyiszli, a physician of Hungarian Jewish origin who had been in the Sonderkommando, which is in fact a detailed description of the day when news of the stopping of the gassings reached the Auschwitz camp.²⁷⁶

Such "evidence" of course proves nothing more than that gassings were stopped and the demolition of the gas chambers started. But no one has ever questioned that anyway. Calling these facts conclusive evidence of Becher being the one who influenced Himmler's decision is a sign of obvious insult to the reader's intelligence. Hermann and Ofry, too, may have felt uneasy about this, because they make reference to Professor Yichak Peri, a former prisoner in Auschwitz, who allegedly recalls that "a German officer, obviously Becher" talked to the prisoners in Kasztner's presence, and told them that from that day on "there will be no more gassings, and there will be no more beatings."²⁷⁷ It is a pity that neither Becher nor Kasztner nor the surviving witnesses (Nyiszli, Kraus, Kulka, Filip Müller etc.) ever mention this episode, though they are the persons most closely involved in the stopping of gassings, nor do the best experts of the targeted problem, i. e. Bauer, Braham, and Strzelecki know anything about it, either. The reason for this is simply that neither Kasztner nor Becher went to Auschwitz during the war.

8. BECHER: SAVIOR OF THE PEST GHETTO AND CHIEF INSPECTOR OF THE CONCENTRATION CAMPS?

After the war, Kasztner claimed that Becher was to be thanked for saving the Jews in the Pest ghetto after the Arrow Cross leadership of Budapest had decided to liquidate them. In his 1946 report—which otherwise, far from portraying Becher as a "benevolent" hero, rather shows him as a coldly calculating, tough businessman, willing to make compromises

when it happens to suit his own objectives (which means first money, and later getting himself an alibi)—claims that in early December and in January Becher made Himmler promise that the Hungarian Jews interned in the Budapest ghetto would be spared despite Arrow Cross plans to have them killed.²⁷⁸ (According to Kasztner, the promise made in early December was made based on a telegram sent to Becher at Kasztner's insistence following an unsuccessful round of talks in Switzerland—between Kasztner, Saly Mayer, and two of Becher's staff, Krell and Kettlitz—suggesting that the talks had been progressing much better than they had in reality.²⁷⁹ This telegram will acquire much relevance later on.)

Indeed, around January 15, 1945 rumor started spreading in Budapest that certain Arrow Cross, police, and SS units were going to exterminate the residents of the “large” (7th District) ghetto²⁸⁰ in a massive pogrom.²⁸¹ Some of this information was probably correct (except the well-known false rumor about a threat about “undermining the ghetto”).²⁸² When Pál Szalai, the Arrow Cross Party's police contact, who for a long time had been active as one of the most important saviors and helpers of Jews, paid a visit to Ernő Vajna, the Arrow Cross official in charge of defending the Hungarian capital, Vajna told him that he knew about the plan but did not intend to stop it.²⁸³ Then Szalai rushed to see Brigadier General Gerhard Schmidhuber, the German Wehrmacht commander responsible for the defense of Pest, who thereupon banned the pogrom and sent his soldiers to defend the ghetto. According to some, his decision was made after consulting SS-Obergruppenführer Karl Pfeffer-Wildenbruch, the commander of Budapest,²⁸⁴ while according to others he acted on his own authority.²⁸⁵ The difference is important, because if Schmidhuber, who was not a member of the SS, did make the decision himself, then he would not have asked for Himmler's consent to stop the action. But if he did ask for the approval of the SS General, his immediate superior in command, then it is not impossible that Pfeffer-Wildenbruch in his turn asked for permission from Berlin. So theoretically speaking, it cannot be excluded that the Reichsführer-SS himself gave permission to prevent the massacre (although Pfeffer-Wildenbruch did not mention this in the interview he gave to Péter Gosztonyi).²⁸⁶ All we know for certain is that the commanders of German units defending Budapest cared little about the ghetto or the Jews (which does not of course exclude individual excesses being committed). The Wehrmacht and the Waffen-SS instead were focusing all their attention on military operations and the enemy. Individual Arrow Cross leaders did, or may have had similar plans,

but these hardly materialized, apart from arbitrary massacres committed by individual party units (although even these involved thousands of victims). The most likely scenario is that Himmler had nothing to do with saving the ghetto. Credit for this should be given first and foremost to a few honest people, plus the Red Army of course.

It is absolutely certain that Becher's role as protector of the ghetto is nothing but a story concocted out of thin air. Becher himself at any rate had no idea that he was supposed to be the savior of the residents of the Pest ghetto. Strangely enough, on July 7, 1947 Becher's interrogators in Nuremberg let Kasztner, who happened to be present, interview the prisoner. This resulted in the following conversation about the Budapest ghetto:

Kasztner: "The key word is Budapest. Up until now the story of the Budapest ghetto has been told in many different ways. Now I would like to hear your story, free from any external influence, then I am going to ask you some questions."

Becher: "I need to be enlightened about the Budapest ghetto. Do you mean Columbus Street?" [Columbus Street was where the Jews enrolled for the Kasztner Train were staying under SS protection. G. K.-Z. V.]

K: "No, I mean the ones whom Eichmann left behind in Budapest after the marches on foot. They were settled in a certain district of town."

B: "You mean the Jews who stayed in Budapest after we stopped the marches on foot?"

K: "Yes."

B: "Unfortunately, I do not know about this. Until this very moment, I did not know that these people had been ghettoized."

K: "Pull yourself together, because this is a very important question. You will recall it."²⁸⁷

Then Kasztner tried to remind Becher of several telegram exchanges between them, including the occasion when Krell and Kettlitz portrayed the progress of the talks in a more favorable light than it was in reality. In Kasztner's version, it was after receiving this telegram that Becher first spoke to Himmler about protecting the Pest ghetto. But Becher did not remember. Then Kasztner tried to make Becher recollect his second intervention with Himmler in January 1945. Becher must have remembered

this meeting of January 9, because this is when he was promoted to Colonel. He did have some vague recollection about a telephone conversation between the Reichsführer-SS and Pfeffer-Wildenbruch—allegedly conducted in Becher's presence—about the treatment of Jews in Pest. But this was all he could remember from the episode. Kasztner tried to link the exchange of telegrams to the conversation between the commandant of Budapest and Himmler.

Becher: "I do not see the connection."²⁸⁸

After Kasztner made a few more unsuccessful attempts to refresh Becher's memory, Becher turned to Kasztner with the words: "Please tell me what you mean!"

Kasztner: "I mean the Jews who stayed in Budapest after the foot marches had been stopped."

Becher: "All I know is that there was a conversation with Pfeffer-Wildenbruch in my presence at Himmler's office. I don't know what instructions were given, all I know is that I talked to Winkelmann immediately after my return, when Himmler said that Winkelmann should together with Pfeffer-Wildenbruch... Is that not right?"

K: "No."

B: "Please point me in the right direction."

K: "The foot marches were over. A certain number of Jews were allowed to stay in Budapest. I assume there was a reason why they stayed alive. Now the only question is whether these people had the Arrow Cross to thank for their lives?"

B: "Obviously not."

K: "Don't you remember that in mid-December the Arrow Cross decided to exterminate any Jews still in Budapest and living in the ghetto? Wasn't this question ever presented to you?"

B: "I have a vague recollection, but I cannot give a precise answer just yet."²⁸⁹

Becher's memory showed no significant improvement during a similar interrogation held three days later (on July 10). He claimed that he had been extremely moved by the meeting with dr. Kasztner, and this is why he could not answer the questions that were put to him.²⁹⁰

As one reads the minutes of this episode, which border on the comic, it seems absolutely clear that Becher was not aware of his own role as “savior of the ghetto,” and that Kasztner’s story about this is absolutely untrustworthy.

The history of the last few months of the war is even more confused than that of the second half of 1944. 1944 brought the dominance of the Becher–Kasztner–Mayer line over the groping attempts of the rival Sternbuch group. However, in the beginning of 1945 there was a turnaround: Himmler met Musy twice, and in February the already mentioned agreement was drafted, pursuant to which 1,210 Theresienstadt Jews were taken to Switzerland. In the spring, Himmler—despite Hitler’s insistence to the contrary—talked to everyone whom he hoped could assist him in any form to find a way out from his difficult situation. He contacted the Swedish diplomat Folke Bernadotte, and even received Norbert Masur, a representative of the Jewish World Congress.²⁹¹ (In late April 1945, the Reichsführer-SS made the Allies an offer of capitulation, for which Hitler stripped Himmler of all his functions on April 29, 1945 and issued an order of arrest against him.)

All this is relevant from Becher’s point of view, because by this time he had long stopped being the most important envoy delegated to the talks, despite the fact that in early January 1945 Himmler appointed him Standartenführer (Colonel) in recognition of his efforts. Before the blockade closed in on Budapest, Becher left, as did the Gestapo and the Eichmannkommando, and moved his seat to Vienna. Significant SS units were left in Budapest, so contact between Himmler’s Berlin headquarters and the Hungarian capital was not broken, but the “Hungarian card” slipped from Becher’s hands. From then onwards, Becher’s and Kasztner’s attention turned to the totality of Jews still surviving anywhere in the Reich.

Kasztner reports that on April 6 Becher showed him Himmler’s order, in which the Reichsführer-SS made his newly appointed Colonel Chief Inspector of the concentration camps.²⁹² While Becher in his Nuremberg testimony in July 1947 was still maintaining that he received Himmler’s appointment but that it was withdrawn on the very next day,²⁹³ in February 1948 he denied this.²⁹⁴ At the Eichmann trial Becher testified that Himmler gave him plenipotentiary powers only in relation to Bergen-Belsen.²⁹⁵ Yet, in an interview to an Israeli TV channel in 1994 he said the following: “I was in possession of practically every authorization to do something positive not only in relation to Bergen-Belsen, but in effect all other concentration camps as well.”²⁹⁶

Becher's inconsistency would be understandable, even if there were no doubts about the credibility of his story. Clearly, he was trying to portray himself as a high ranking savior of the Jews on the one hand, while at the same time well aware that he could be held accountable for being the Chief Inspector of the concentration camps, in which tens of thousands of prisoners died even in April–May 1945. But as there are strong doubts about the credibility of his assertions, Becher's self-contradictory behavior is even more understandable.

But what really happened? First of all, Becher was never appointed as Chief Inspector of the concentration camps. The position of "Chief Inspector" simply did not exist, there was only an inspector, and that position was filled by someone else. During the 1930s, SS-Gruppenführer Theodor Eicke was the Inspector of the concentration camps (Inspekteur der Konzentrationslager). He was responsible for organizing the network of SS camps. He had his own office and reported directly to Himmler alone. In 1940, when Eicke set up a division from his Death Head troops (3rd Totenkopf SS Division) and went to the front line, his former deputy, SS-Brigadeführer Richard Glücks, took over his place. Eicke never returned (he fell in the Kharkov region in 1943), and as Glücks was not strong enough, his office was amalgamated into the SS-FHA under Jüttner's leadership. In 1942 the Inspectorate was integrated into the SS-WVHA under Pohl during another restructure, and was called Office Group D. Glücks stayed in that position until the end, until the very day of the collapse.²⁹⁷ The nervous Glücks, who was constantly afraid of Himmler and the outbreak of prisoners, "was too weak" for the maze of SS hierarchy, but this was specifically what made him a suitable man for Pohl's purposes. Effective control was exercised by several office heads following Himmler's and Pohl's directives.²⁹⁸ Particularly important among them was the commandant of D/1, who was also Glücks' deputy at the same time: from December 1943 to May 1945 (with only a brief interruption, when in the summer of 1944 the Hungarian Jews were being exterminated in Auschwitz-Birkenau) this position was filled by former Auschwitz commandant Höss. At the turn of 1944–1945 he inspected the camps and coordinated the evacuation effort. To be the inspector of the camps, Becher would have had to get rid of Glücks *de jure*, and *de facto* of Höss. But he was not quite in the same league as them.

So Becher could not have been a plenipotentiary of the camps. But Himmler did give him a job to do, as is indicated by the fact that on April 8, 1945 Felix Kersten, the Finnish doctor lobbying with the Reichsführer in

the interests of camp prisoners, received the following letter from Rudolf Brand, Himmler's personal secretary: "You will probably be pleased to know that the SS-Reichsführer has appointed a special commissioner (Sonderkommissar) to the Bergen-Belsen camp, and that he has already received the necessary instructions."²⁹⁹ As later Becher acted on Himmler's behalf in relation to Bergen-Belsen, there can be no doubt that he was the Sonderkommissar mentioned above. It is clear from the date of this letter that the episode described must have happened by April 8 at the latest, perhaps precisely on April 6, as Kasztner recalls, which would prove that the Zionist leader was not betrayed by his memory this time.

Already in March, Dr. Kersten tried to convince Himmler not to exterminate the prisoners of concentration camps. The outcome of these discussions materialized in the form of an agreement, signed "in the name of humanity" by the feared SS leader of the German Reich on the one hand and the Finnish physician on the other hand. According to this strange document, Himmler undertook the following obligations:³⁰⁰ not to carry out and not to let others carry out Hitler's order to destroy the camps and their prisoners if the Allied troops advanced, to hand over the camps to the army of the Western Powers, to forbid the killing of Jewish prisoners and the use of any discrimination against them, and to allow all prisoners to receive food parcels from Sweden.

According to Becher, Himmler was in a state of trepidation because of Hitler and his order not to let any prisoners get into enemy hands alive.³⁰¹ Already in February the Führer lost his temper with Himmler in connection with leaks to the international press and told him to stop doing business with the Jews.³⁰² But the Reich's collapse was resulting in growing chaos, and there were more and more people disobeying Hitler's directives: on March 12 Kaltenbrunner started talks with the International Red Cross about prisoners in the camps, on March 23 Müller, the head of the Gestapo, promised the representative of the Red Cross to surrender Bergen-Belsen to the Allies intact, and on April 6 Eichmann accompanied a Red Cross representative to Theresienstadt, and guaranteed that there would be no more deportations from there.³⁰³ This did not mean, of course, that Himmler had nothing to fear from his hard line subordinates, namely Kaltenbrunner and Müller. His cautiousness was justified by events that happened two weeks later, namely Göring's arrest in connection with his plans to seize the power. The arrest was ordered by Hitler, who was staying in Berlin, and was carried out with Kaltenbrunner's assistance.

In his Nuremberg testimony Becher told Kasztner the following about the nature of his orders: "Try to remember, Mr. Kasztner, what I was telling you on our journey to Bergen-Belsen about how I had asked Himmler if I possessed any police authority (polizeiliche Aufträge). He replied that I didn't."³⁰⁴ All Becher was instructed to do by Himmler was to try to save whatever could still be saved, in line with the humanitarian requests communicated through the Bernadotte line. But Becher's position was growing ever weaker, and by the time he embarked on this mission Himmler told Becher to ignore his former instructions and to remain loyal to the Führer (making it even sound like a threat), but to go on and make a proposal nevertheless.³⁰⁵ Becher had to consult Kaltenbrunner before he went to Bergen-Belsen to try and make commandant Kramer surrender the camp without fighting.³⁰⁶ Himmler was of course trying to be tactical: he could have ordered the handing over of the camp to the Allies by telegram, but this would have contradicted Hitler's effective directives and so would have amounted to treason. This is why he was sending Becher to the concentration camp near the front line with an obscure and indefinite mission. Had it gone wrong, the Reichsführer-SS would have sacrificed Becher and would have washed his hands off him. Had Becher succeeded in convincing Kramer informally to save the lives of prisoners and to peacefully hand over the camp, then it would have been so far so good; but had the camp commandant refused to cooperate, then Becher would have had to answer questions from Kaltenbrunner and Müller, the head of Gestapo.

According to Kasztner, Becher went to the Bergen-Belsen camp on April 10–11, 1945, accompanied by Kasztner. He managed to secure an agreement about handing over the camp to the advancing British army. By this time Becher was clearly devoid of any effective power, because he had to negotiate for two whole days with the camp commandant's office and the local Wehrmacht forces before he got what he wanted.³⁰⁷ By this time the situation in the "showcase-camp" set up in 1943 for a couple of thousand "exchange-Jews" had grown simply catastrophic. 60,000 walking dead were awaiting their end, and 10,000 unburied bodies were scattered around the camp. Camp administration had simply collapsed, for days on there was no food and no water, and prisoners, half-crazed from hunger, had started to eat dead bodies. Even Höss, who had seen much in the world and visited the camp earlier on, was shocked by what he saw there.³⁰⁸ During talks with the German army, Becher's main argument must have been his concern that the typhoid epidemic which had been

devastating the camp since March would also spread to the German troops. After two days of telephone calls he finally managed to frighten the commandants of the nearby Wehrmacht units, and an agreement was finally struck. The SS abandoned the idea of a massacre and even decided to withdraw from the territory of the camp, now crowded with sick and starving people at the point of death. This much was undoubtedly—at least partly—Becher's achievement.³⁰⁹ As it turned out, however, the camp was liberated only four days later, on April 15, during which time many more prisoners died, and not only from the appalling conditions. A nearby Hungarian armored military training school headed by Colonel Altorjai had joined the SS guards who guarded prisoners from the outside. Certain parts of this Hungarian unit had joined the Waffen-SS earlier, upon the insistence of their commanding officers. First Lieutenant Újvári told his staff: "If any of these Häftling comes out, they are to be shot dead." Colonel Baló issued the following order to his soldiers regarding Jews and political prisoners: "If you don't like any of these bastards, just shoot them." The consequences were immediate: Hungarian SS soldiers, mainly officers, "were shooting at prisoners just for the fun of it."³¹⁰

After this, Becher went to the feared Mauthausen camp in order to free Kasztner's old friend Mosche Schweiger (see below).³¹¹ In Schweiger's account, Becher turned up at Mauthausen on April 20, and first ordered Schweiger to be taken to hospital, then to be taken out of the camp.³¹²

Becher was probably not exaggerating when he described his actions at Mauthausen as pure bluffing ("das war ein Bluff von mir").³¹³ In a show of self-confidence, Becher told camp commandant SS-Standartenführer Franz Ziereis that Himmler had given him plenipotentiary powers over Mauthausen as well. Ziereis was allegedly shocked and at first turned Becher away, saying that he accepted Kaltenbrunner alone as Himmler's exclusive representative in the South-German region, and that Kaltenbrunner had already given him specific instructions. But when Becher swore secrecy, Ziereis finally admitted that he had been instructed to send most of the Jewish prisoners to the sub-camp in Wels. He planned to send 10,000 of them on barges down the Danube, and drive the many thousands remaining into tunnels bored into the hillside, and have them killed by blowing up these tunnels over them. Then Becher allegedly phoned Kaltenbrunner to tell him that Himmler had appointed him Plenipotentiary of the Reich. The head of the RSHA was outraged, but Becher managed to calm him down and make an appointment for an audience. According to Becher, it took place on the night of April 25–26

at a Salzburg hotel. The debate grew increasingly heated and Kaltenbrunner covertly threatened even Himmler for defying Hitler's order to destroy the camps. Finally, Kaltenbrunner was willing—at least so he said—to abandon the idea of the massacre, and agreed not to empty the Mauthausen camp, to treat the Jews properly, to make the blowing up of the tunnels by Ziereis conditional on his permission, and also to hand over the camp to the Allies subsequently. On the night of April 26 Becher talked to Winkelmann, then returned to Mauthausen by the morning of April 27.³¹⁴ Here Ziereis told Becher that despite his former promise Kaltenbrunner had ordered the camp commandant to kill 1,000 prisoners a day.³¹⁵ As they were talking, Ziereis showed his guest around the camp. Becher was shocked by the sight of these wretched people weighing no more than 35–40 kg, and urged the commandant not to carry out the order. On this point in his testimony Becher told his U.S. interrogators that his intervention saved the lives of tens of thousands of prisoners. The next day (on April 28) Becher talked by telephone to Kaltenbrunner once again. Kaltenbrunner was very concerned because the Americans were drawing near Dachau. Becher set off straight away and arrived by evening at the camp near Munich, where he talked to the commandant, whose name he could not subsequently recollect, other than that it started with “W.” This was the commandant of Dachau SS-Sturmbannführer Eduard Weiter, who told Becher that he had already made preparations to leave the camp as the Allies were only a few kilometers away. Becher suggested sending out a bearer of a flag of truce, and allegedly obtained an order to do so (perhaps from Winkelmann, who was staying in Munich at the time), which he sent to Weiter.³¹⁶

As it is usually the case, it is not easy to isolate the grain of truth in Becher's story. Himmler subsequently committed suicide, Kaltenbrunner was hanged, Weiter was killed in May, and Ziereis was shot on the run by the Americans. However, we do know that it is unlikely that when Becher met Weiter on April 28 the latter was agonizing over whether or not to evacuate the Dachau camp, because the evacuation order had already arrived on April 27, and its implementation started immediately. When the evacuation failed due to the resistance of prisoners, Himmler ordered the liquidation of the prisoners under the code name *Wolkenbrand* (Flaming Cloud). But there was no time left to carry out this order, apart from sporadic instances, because the arrival of the liberators prevented it.³¹⁷ Later (on May 24), when Ziereis was on his deathbed dying from wounds, he made a testimony in which he told of Kaltenbrunner's

order to liquidate 1,000 prisoners a day, and admitted at the same time that he had wanted to blow up the tunnels in the hillside to bury the prisoners.³¹⁸ But all this never came to pass, as on May 3 the SS evacuated Mauthausen, and the Americans arrived on May 5.

As far as Becher's actions during the last weeks are concerned, the events and his own motives were far less complicated than in 1944: by this stage all Becher was concerned about was to get himself an alibi. Becher was not alone in this. SS leaders who formerly played a major role in the killings were now fleeing along roads under bombardment, dragging along Jewish hostages whom they had "saved." Concentration camp guards often insisted in ever more strident tones to prisoners listening in disbelief that they were not Nazis, hated Hitler, and in any case had always treated Jews well. Becher's claims that he deserved credit for having saved 26,000 prisoners in Dachau and more than 80,000 in Mauthausen—although he did indeed play some part in the latter—were out of all proportion. On the eve of defeat, Ziereis and Weiter were reluctant to take on themselves the odium of another massacre. The Germans evacuated most camps or handed them over to the liberators. During the last couple of days before defeat, less and less SS soldiers committed killings. Despite there certainly being a grain of truth in Becher's account of the events, it is not true that Becher alone saved the lives of tens of thousands of people in camps by taking advantage of the special mandate he allegedly possessed (and later himself denied having).

Becher's efforts undoubtedly contributed to reducing the sufferings of individual prisoners (for instance, by freeing Mosche Schweiger from the Mauthausen camp), and in Bergen-Belsen Becher's intervention may have saved the lives of many hundred prisoners, but that is all, even if it is not little. It is easy to see that during these last few months Becher was turning from master of the situation into a prisoner of it. Towards the end there was no more talk about reciprocity based on currency transfers or exchanges of commodity: by this time Becher was busy collecting "good points" for himself. On April 13 he is said to have turned to Kasztner with the words: "Should we lose this wretched war, I hope the Allies will have enough discretion to honor my effort and achievements."³¹⁹ According to Kasztner's testimony in Nuremberg in 1945, "Becher took me under his wings in the end to give himself an alibi. After the fall of 1944 he was determined to prove that he disapproved of deportations and extermination, and constantly tried to convince me that he was trying to save Jewish lives."³²⁰

And Becher managed to do so, at least so it seems. In the summer of 1947 Kasztner evaluated Becher's role as follows: "There can be no doubt that Becher was one of very few SS leaders brave enough to resist plans of extermination and who tried to save human lives... I never for a second doubted Kurt Becher's goodwill."³²¹

To summarize: Becher's direct influence for the good on Himmler was casual, of varying intensity, and in any case difficult to prove. There is virtually no instance where we can conclusively prove a direct connection between Becher's character and intentions on the one hand, and Himmler's specific actions on the other. A large part of the measures meant to save Jews and attributed to Becher are no more than a legend subsequently created.

9. EVACUATION: REMOVAL OF THE HUNGARIAN INDUSTRY TO THE REICH

From the second half of the 1930s Hungary's economic dependency on the Third Reich began to grow and significantly deepened during the Second World War.³²² But after the occupation the former state of dependency was replaced by total exposure. The status quo was fixed in a financial treaty signed on June 2, 1944, the terms of which were particularly detrimental for Hungary.³²³ The surrender of Hungary's economic potential culminated in the country's systematic plundering, starting from October 1944. The Arrow Cross regime willingly assisted to the implementation of the Nazis' policy of stripping the Hungarian economy and only rarely voiced its concern about the westward evacuation of Hungarian assets.

Becher, too, played a major role in this. On October 23 Veesenmayer appointed Becher on behalf of the Third Reich as a special envoy (Sonderbeauftragte) to direct the evacuation effort in Hungary.³²⁴ Veesenmayer defined Becher's mission as follows: "to implement measures, in agreement with the special commissioner appointed by the Hungarian government and endowed with similar plenipotentiary powers, in order to ensure the evaluation, confiscation, and evacuation of every kind of military and food commodities from potential war zones inside Hungary to territories less exposed to war action."³²⁵

By this time Becher was already a member of Winkelmann's staff, so the evacuation *de facto* came under Himmler's sphere of influence. Becher's having control over the Weiss Manfréd concern made easier its evac-

uation, which of course was mainly focused on the concern's machinery and war material manufacturing capacity. Another factor may have been Himmler's appointment by the Führer on July 21, 1944, that is the very next day after the assassination attempt against Hitler, as commander of the reserve army and head of the SS War Supply Office, thus Himmler's personal representative could play a major role in Hungary's plunder, camouflaged as a war supply effort. On the other hand, Veessenmayer stressed in Becher's letter of appointment that Becher had an obligation to work in consultation with Dr. Hans Boden, the economic commissioner of the German ambassador.³²⁶

On November 14, 1944 the German and Hungarian authorities signed an agreement about evacuation. It was signed on behalf of Germany by economic commissioner Boden, and on behalf of Hungary by Emil Szakváry, Minister of Industry, and Vilmos Hellebronth, Minister of Production without portfolio.³²⁷ Section 1 of the agreement stated: "Any relocation must be subject to the resolution of the Government of the Hungarian Kingdom, represented by the Minister of Industry of the Hungarian Kingdom."³²⁸ So in principle the Arrow Cross government could control every step of the evacuation,³²⁹ but in reality it had hardly any influence. Szakváry complained that "an increasing part of the industrial part of Hungary's national assets is being evacuated from the country, and we are increasingly becoming dependent on agreements with Germany and our ability to implement them."³³⁰ For this situation he primarily blamed the "SS High Command" (Obere SS-Führung), and thus Himmler.

Becher directed the movements of the tremendous quantity of evacuated goods, machinery, raw materials, livestock and vehicles far beyond Hungary's borders, and thereby, needless to say, exceeded his mandate. Becher said in his testimony on December 11, 1945 in Budapest: "As the front line was drawing closer and Budapest itself had to be evacuated, most of the goods were transported to West Hungary, and partly loaded on barges and floated down the Danube through Vienna to the Passau region."³³¹ At the same time, Becher added: "My main duties with the procurement of horses and in implementing the Weiss Manfréd transaction left me hardly any time for this task."³³² In previous testimonies Becher gave an exhaustive account of the evacuation of the Weiss Manfréd assets.³³³ But he was totally silent about spending the last few months of 1944 negotiating about Jewish lives in Budapest, Berlin, on the Swiss border, and in Zurich.

In his memoirs Gyula Szilvay, head of the Hungarian Foreign Trade Office of the Ministry of Transport and Trade, and consequently personally involved in the economic evacuation,³³⁴ mentions that Becher and his staff were connected to an SS affiliate company called Omnipol.³³⁵ As we will see, in March 1945 Omnipol played some role in relation to the Gold Train (see Part III).³³⁶ At that time a representative of Omnipol made an offer to Gábor Vajna, the Arrow Cross Minister of the Interior, i.e. the highest level Hungarian official in charge of the train. According to the terms of the offer, the train would be given green light to travel to Germany in exchange for 5–10 percent of the value of its contents. The parties even made an agreement to this effect, but subsequently the company had no influence over the fate of the Gold Train.

Despite Becher's postwar lies, it is clear from Hungarian sources that Becher shamelessly laid his hand on everything within his reach during the evacuation of Hungary. Ironically enough, the Hungarian organizers of the evacuation and Becher's staff ended up in the same internment camp after the war. From interviews with them we get an idea of some less well-known aspects of Becher's activities, which the Hungarian authorities too found out from a testimony made in 1946. Becher used two companies (UKO and DIKO) to implement the evacuation. He employed a special expert in connection with the evacuation of industrial and commercial goods, whose mission was to integrate evacuated factories into German production as quickly as possible. According to Becher's staff, there were at least 800 wagons and 30 large barges taking Hungarian goods mainly to Austria and to a smaller extent to Bavaria. What is more, Becher planned to concentrate any supplies stranded by the fighting in Austria, and even tried to contact the new Austrian authorities about this.³³⁷ The Hungarian Government Commissioner of the Arrow Cross regime in charge of evacuation, Endre Rajk, wrote a report to Arrow Cross leader Szálasi, in which he gave a detailed account of the looting committed by the Germans during the evacuation and his own measures taken in response. Rajk's report makes special mention of Becher: "I had a particularly hard time with the staff of SS Colonel Becher, whose countless excesses I could prevent only to a small extent. Becher and his people were taking out of Hungary food, leather, textile and other raw materials as well as industrial equipment loaded onto barges, in a fashion both uncontrolled and unauthorized. While I managed to get some kind of coordination from other German authorities, Becher for a long time refused to show any cooperation whatsoever." The report states further: "In the

beginning, [Becher] was only in charge of evacuating the industrial equipment of the Weiss Manfréd concern, but later on threw himself into textile, leather and canning factories as well.” Becher usually did not pay anything for the assets he was taking. On December 3 Becher visited Government Commissioner Rajk, demanding that he consent to the evacuation of 50 percent of all available supplies of finished goods. When Rajk refused to do so, making reference to the needs of the civilian population, Becher promised to have more consultations in future, then disappeared. Two weeks later he came back with an outright ultimatum on the issue, which he addressed to an Arrow Cross minister.³³⁸

The evacuation of the country’s industrial capacity, in which Becher played a major role too, caused tremendous damage to the Hungarian economy. According to calculations based on Foreign Trade Office records, between March 19, 1944 and March 28, 1945 there were 1,567 convoys³³⁹ transporting 55,000 freight cars full of goods³⁴⁰ (including equipment, raw materials, vehicles, finished goods, artificial fertilizers, gold, silver, etc.) to the west of Hungary by rail, trucks, vessels and barges.³⁴¹ Add to this tens of thousands of tons of goods evacuated between March 28 and May 3 of the same year.³⁴²

During evacuation, at least 268 locomotives, 11,000 freight cars, and 250 barges delivered several transports of Hungarian national assets first to the western regions of Hungary, then to the south and south eastern regions of the Reich.³⁴³ Hungarian–German joint committees channeled in total 373,530 tons of goods, machinery, and raw material supplies.³⁴⁴ But the transports went often uncontrolled,³⁴⁵ and we estimate that in reality nearly 600–700,000 tons were evacuated.

Table 14: Evacuated Hungarian assets registered by the joint committees (by final destination)³⁴⁶

Austria	120,680 tons	(32%)
Germany	128,950 tons	(34.5%)
Poland	65,385 tons	(17.5%)
Czechoslovakia	55,745 tons	(15%)
Other countries	2,770 tons	(1%)
Total	373,530 tons	(100%)

As the above list of statistics uses post-1945 geographic names—there was no Poland or Czechoslovakia during the Second World War—it is clear that 99 percent of evacuated Hungarian assets were taken to the

territory of the Third Reich as it was known then (including the annexed Sudetenland and West Poland, and territories controlled by Germany, the Czech–Moravian Protectorate, and the Polish Generalgouvernement). In 1945 the Czechoslovakian and Polish territories came under Soviet occupation, while Germany and Austria was occupied by the Four Powers (Britain, US, France, and the Soviet Union). Two-thirds of the evacuated Hungarian goods ended up in Austria and Germany ($32 + 34.5 = 66.5$ per cent), corresponding to 249,630 tons in total weight.

Table 15: Breakdown of Hungarian assets transported to the countries under the occupation of the Four Powers (i.e. the various occupation zones in Germany and Austria)³⁴⁷

US zones	117,025 tons	(46.9%)
Soviet zones	66,635 tons	(26.7%)
British zones	39,060 tons	(15.6%)
Four Power zones (Vienna, Berlin)	25,450 tons	(10.2%)
French zones	920 tons	(0.4%)
Unknown	540 tons	(0.2%)
Total	249,630 tons	(100%)

In other words, a large part of the controlled assets taken out of Hungary (46.9 percent, or 117,025 tons) were delivered to the U.S. occupation zones in Germany and Austria, in other words came under U.S. control.³⁴⁸ An almost similar quantity of goods was evacuated without being registered, leaving the country—in all likelihood in similar proportions as above—mostly in the direction of Salzkammergut (Austria) and Bavaria, and so predominantly ended up in U.S. zones.

An important part of the complete clean-out of Hungary was the evacuation of vast amounts of Jewish assets that had been confiscated by the Hungarian state in the spring and summer of 1944. Large quantities of goods stored at thousands of Aryanized and confiscated industrial plants and shops and hundreds of warehouses were taken out of the country. To form an idea of the scale of the evacuation, bear in mind that it took 79 massive barges to take abroad the machinery of the Weiss Manfréd concern alone (and this only a fraction of the company's total means of industrial production).³⁴⁹ Nothing escaped the attention of the Nazis, from Jewish-owned machinery to Jewish-owned works of art. Given the number and proportion of Hungarian Jews within the total population and their economic power, considering that this Jewish population had

been completely plundered, and that evacuation targeted Jewish goods formerly nationalized by the Arrow Cross regime to a greater extent than the wealth of the non-Jewish population (the former being an “easy prey” compared to the latter), we believe that nearly 20–25 percent of all evacuated Hungarian assets were originally Jewish owned.

10. BECHER'S PERSONAL GAIN

During his time in Hungary Becher accumulated significant wealth and assets. According to contemporary research findings, there were several sources of Becher's wealth.

Firstly, the consideration paid for the “Kasztner Train,” namely three suitcases filled with jewels, precious stones, golden coins, and foreign currency handed over to the Germans on June 20 by two representatives of the Aid and Rescue Committee, Sólem Offenbach and Hansi Brand (Jenő Brand's wife). These all ended up in Becher's possession.³⁵⁰ The passenger-list of the train included 1,300 people, so these suitcases must have contained a minimum of 1.3 million dollars in valuables. As in the end 1,684 passengers arrived in Bergen-Belsen, Becher's staff later demanded the equivalent of 1,684,000 dollars. The exact total worth of the contents of the three suitcases has not been clarified to the present day.

The value of the contents was first assessed in July 1944, valuation being conducted on the Jewish side by Andor Biss, Offenbach, and a jeweller by the name of Mór Lóránt, and by Becher's close colleague SS-Hauptsturmführer Max Gruson and two NCOs on the German side. The venue was the Hotel Mirabel and Becher's headquarters at Andrásy Boulevard 114.³⁵¹ Gruson was arrested in September (allegedly on charges of trying to intervene in the interests of Slovakian Jews), and SS-Obersturmbannführer Grabau took charge of the valuation process when it restarted.

Kasztner defined the value of the items already handed over at 2.1 million dollars when the dispute lasting throughout the series of talks was finally ended by him and SS-Hauptsturmführer Krell (Becher's confidant) at dawn on December 7 on the German–Swiss border.³⁵² Some of the passengers of the train later estimated the total worth of the assets handed over at 8.7 million Swiss francs (nearly 2 million dollars).³⁵³

However, neither Kasztner nor any of the passengers saw the treasure in its entirety. There was only one expert who had a whole month to

assess the total worth of the assets laid out before him: Mór Lóránt, the jeweler. Lóránt later testified under oath: "I was instructed to estimate the value as high as possible so that more people could get out in exchange for the valuables handed over. And I did overvalue these valuables by about 20–25 percent."³⁵⁴ So while after the war Biss set the total value at approximately 500,000 dollars, Lóránt and his colleagues valued the suitcases' contents at 3.5 million dollars, in contrast with Grabau's estimate of 1.7 million dollars.³⁵⁵ Now if we were to accept that Lóránt's method was to overvalue the assets by 20–25 percent, then the real value could come to 2.6 million dollars. We will come back to the many twists and turns these suitcases underwent later on.

But let us not forget about the persons Becher was paid to "protect" either.³⁵⁶ Becher's protection cost 15–25,000 dollars on average, or its equivalent in other foreign currency.³⁵⁷ In 1961 Becher was sued by one of his former Jewish business partners in Frankfurt, because Becher had allegedly promised to save him and his family from deportation for 18,000 dollars. In the summer of 1944 Alexander Klein gave this sum to Becher in the presence of two witnesses, yet several of his family members were nevertheless taken to Auschwitz and died there.³⁵⁸ We know that there were around 50 persons under Becher's "protection" (including family members),³⁵⁹ so assuming ten family heads, the total revenue works out at 150–250,000 dollars.

There was also the quite hefty sum that the Aid and Rescue Committee offered to Becher in July for intervening with Himmler in the interests of the Budapest Jews. Becher is known to have accepted 20,000 dollars, and—he claims—it was thanks to him that the Reichsführer-SS finally consented to accept Horthy's decision to stop deportations in early July.³⁶⁰

Gyula Szilvay (mentioned above) believed that on the night of December 1–2 Becher ordered a set of paintings received from the Weiss–Chorin–Kornfeld–Mauthner "dynasty" to be packed and taken to the Mauthner mansions in Budakeszi road in Budapest, and at dawn on December 4 loaded them on 25–30 trucks and sent them to the country's western borders. As the already mentioned "plenipotentiary authorization" issued on May 17 gave Becher absolute control over the movable property of the Weiss–Chorin–Kornfeld–Mauthner families, it is very possible that Szilvay was right. Fiercely protective of "Hungarian national assets," Szilvay and his entourage hurried to Budakeszi road on December 4, but by then the mansions were already empty.³⁶¹ The trucks crossed

the border as early as 5 p.m., got to Salzburg on December 6, and were unloaded in Rosenheim.³⁶² It is not beyond possibility that these assets, too, were taken to the Alt Aussee salt mines near Salzkammergut, in the spring of 1945 an SS “treasury,” and were then taken into U.S. custody, and subsequently transferred to Austrian control. What happened to them thereafter still remains to be clarified.

So during his term of office in Hungary Becher extorted cash and valuables worth 1–3 million dollars from his Jewish “customers,” part of which he kept for himself. After Mauthausen, Becher and his entourage went to Bad Ischl, then in early May to Weissenbach near the Swiss border. There he was arrested by the Americans on May 18, 1945.³⁶³ Just before then, Becher handed over to Moshe Schweiger part of the valuables he was carrying.³⁶⁴ Schweiger was a Zionist from Újvidék who had been arrested in Budapest by the Germans shortly after the occupation and taken to Mauthausen; Becher rescued him from the concentration camp—allegedly at Kasztner’s express request—and took him to Bad Ischl, then to Weissenbach. For some time Schweiger did not know what to do with the valuables which came into his possession, and the origins of which he was aware.³⁶⁵ Finally, a few days later, he informed Detachment 215 of the Counter Intelligence Corps of the U.S. Army (CIC) headquartered in Bad Ischl, and on May 24³⁶⁶ handed over to them a collection of valuables consisting of eight gold ingots, a selection of precious stones and dozens of golden coins, but mostly personal jewels set with precious stones (watches, rings, necklaces, bracelets, brooches).³⁶⁷

In late June yet another portion of the “Becher treasures” fell into the hands of the U.S. army. This was when the Jews whom Becher took along to Austria so that in case of his arrest (which did indeed happen) they could testify that Becher was an SS officer who had saved Jews, handed over to the 215th CIC Detachment some more valuables which they had been carrying and which they had received from Becher,³⁶⁸ including gold coins and some cash.³⁶⁹ The complete Becher treasure was stored in two different locations, packed in 28 bags in total; bags numbered from 1 to 15 were deposited at the Salzburg branch of the Austrian National Bank, while sacks numbered from 16 to 28 were kept at a financial institution called Bank für Oberösterreich und Salzburg.³⁷⁰

The American Jewish Joint Distribution Committee soon found out about the Becher treasure. Reuben Resnik, a representative of the Joint, asked U.S. army officials in a letter dated October 27, 1945 to inform the organization of any decision being contemplated concerning the Becher

treasure.³⁷¹ It remains unclear what talks took place in 1946 between Jewish organizations and the American authorities, but we do know that in February 1947 Dagobert Arian, a representative of the Jewish Agency for Palestine (JA), traveled to Austria to receive the Becher treasure on behalf of the JA.³⁷² This means that Washington had decided to turn over assets of Hungarian Jewish origins directly to the JA.

In accordance with the American decision, valuables had to be valued before being released. The competent officials selected an Austrian pawnshop expert for the job. Arian protested against this and finally achieved the appointment of one of his colleagues, Meir Benzion Meiry, as first appraiser instead.³⁷³ Meiry arrived in Salzburg on February 25 and immediately started to draw up, inventory and evaluate individual items. Meiry valued the whole of the Becher treasure in American hands at 55,000 dollars.

W. M. Treece, head of the Property Control Branch, gave permission to release the treasures on March 3, 1947. Dagobert Arian and Meir Benzion Meiry were appointed to receive them on behalf of the JA.³⁷⁴ Finally, Arian signed an official protocol of acceptance for the valuables in the name of the JA on March 10, 1947.³⁷⁵

But a curious thing happened in the vault of Bank für Oberösterreich und Salzburg at the time of the handing-over of these items. The so-called Antetmann property was being kept in the same place as the Becher treasure. The Antetmann property was a set of a valuables, probably also of Hungarian Jewish origin,³⁷⁶ comprising dozens of gold ornaments set with precious stones (some of them diamonds) and gold coins.³⁷⁷ The Antetmann property came into the possession of the U.S. army on June 2, 1945.³⁷⁸ R. J. Cloud, a civilian, was the only American official who knew that these two deposits were kept in the same place, but he happened to be taken ill with influenza and was in bed at the time of the handing over.³⁷⁹ Due to the negligence of the U.S. financial authorities, neither Cloud's deputy, Freud, who was present on the occasion, nor his secretary Miss Spohn, nor Second Lieutenant McFarland, the soldier overseeing the transaction, noticed that the JA representatives collected not only the Becher deposit but the Antetmann property as well. Moreover, the illegal transaction escaped the attention of Captain Mackenzie, who signed the papers.³⁸⁰ The mistake was discovered only on the next day, March 11. But by this time Arian and Meiry were already on their way to Switzerland under army escort. Allegedly, Mackenzie tried to stop them, but he could not get in touch with the representatives, and at

5 o'clock p.m. they crossed the Austrian–Swiss border. Mackenzie said in his report that Arian and Meiry were not to blame, and that they simply did not notice the mistake. Therefore, and in view of the two properties having similar origins, Mackenzie proposed that the American authorities should turn a blind eye to the mix-up.³⁸¹ Accordingly, a false receipt was subsequently issued (on March 19), to the effect that not only the Becher deposit but also the Antetmann property has been released to the JA representatives.³⁸² On March 24 the JA was officially informed about the decision.³⁸³ Arian's report dated March 13 only hints at the affair: "Mr. Meiry valued the entire Becher deposit at 55,000 dollars, to which another 10,000 dollars was added later on."³⁸⁴

The JA representatives took the valuables to Switzerland.³⁸⁵ Individual items were sold by the JA and the Joint between 1947 and 1955,³⁸⁶ who split the proceeds of the sale fifty-fifty,³⁸⁷ despite the fact that the original owners—with only a few exceptions—were still alive (they escaped from the Reich unharmed on the "Kasztner Train"). The Jewish organizations could not legitimately claim to be handling communal Jewish property or the wealth of the victims of killings. The passengers of the Kasztner Train were a clearly-defined group of identifiable individuals, who knew very well what they had given to Kasztner's staff, i.e. in effect to Becher. Yet, it was never seriously suggested that their property should be returned to them, either by the American authorities or the Jewish organizations. Strangely enough, Kasztner too played a role in all this. When the Hungarian Ministry of Finance found out about the Hungarian Jewish wealth in Switzerland, it contacted Kasztner, who "enlightened" State Secretary György Kemény about the circumstances of the case. "The deposit is made up of the valuables which were handed over to Becher by the representatives of the two above mentioned Jewish organizations [the Joint Committee and the Jewish Agency—G. K.–Z. V.] in Budapest at the time, and which served as the financial basis for the so-called humanitarian rescue mission."³⁸⁸

As it is clear from the above, Kasztner negotiated with Becher on behalf of the Jewish organizations, but he concealed from Kemény that only a fraction of the cash and valuables handed over to Becher came from the Joint or the JA, and the "ransom money" came mostly from 150 wealthy Hungarian Jews who were admitted on the train. Kasztner's answer and the behavior of the JA representatives was meant to insinuate that the two international Jewish organizations asked back and received from the U.S. army only what they spent on saving the Hungar-

ian Jewry in 1944 in the first place. The Americans accepted this false reasoning, despite knowing full well that neither the Joint nor the Jewish Agency could have sent personal belongings like golden jewels, necklaces, rings, bracelets and watches to the SS in exchange for Jewish lives. Knowing the nature of the Becher treasure, it must have been clear to them that these valuables did not come from any organization, but the SS got them from private individuals instead.

It is interesting that while Kasztner was loyal to the Joint and the Jewish Agency rather than to the passengers of the Kasztner Train when dealing with the Hungarian authorities, at the same time he tried to protect Becher vis-a-vis the Jewish organizations. Kasztner wrote in 1947: "Becher was under no obligation at all to return even a part of those objects. What he handed over was a pure profit."³⁸⁹ As it is clear from documents, some of the passengers of the Kasztner Train did complain about the actions of the Jewish organizations later on.³⁹⁰ But for the time being we still do not know the final outcome of these complaints.

The Jewish organizations were convinced that they had received only a fraction of the Becher treasure held by the U.S. army. In the—probably quite unfounded—opinion of the Joint's legal advisor in Salzburg, the property was originally worth nearly 800,000 dollars.³⁹¹ Arthur Magret, head of the Finance and Economic Division of the United States Allied Control in Austria (USACA), met with Yehuda Gaulan, a JA representative for these matters, in September 1947. At this meeting Gaulan complained to Marget that "only 10 percent of the so-called Becher deposit was delivered to the Jewish Agency representative."³⁹² This means that the valuables in American hands must have been worth 550,000 dollars in total, as Jewish organizations estimated that the property released to them at 55,000 dollars. This is highly unlikely even if we consider that the most valuable item in the Becher treasure seized by the U.S. army consisted of 31 diamond rings and other objects.³⁹³

It is not excluded of course that a certain part of the Becher treasure did indeed disappear at the hands of the U.S. army. This possibility is confirmed by the fact that in the spring and summer of 1946 the CIC launched an investigation into the actions of its own agents, during which all its former staff members involved in processing assets were questioned.³⁹⁴

We know at least one thing for certain, namely that there were no precise records kept of these items. "In line with usual CIC practice,

I did not ask for a receipt, and did not keep a copy of my reports or any other accompanying documents either,” recalled Sergeant Slater,³⁹⁵ who accepted some of the valuables from Schweiger without drawing up an inventory.³⁹⁶ The final outcome of the investigation is unknown, and no concrete evidence has yet been discovered about the disappearance of any valuables from the Becher treasure during the period when the deposit was being handled by the U.S. army. This would not be surprising, knowing the future of the Gold Train and certain other actions of the CIC not dealt with here, but the accusation made by the representatives of the Jewish organizations (namely that the Americans had stolen nine-tenths of the assets) is obviously a great exaggeration.

It is far more likely that Becher well before May 1945 deposited in Switzerland the vast majority of the valuables he acquired in Budapest, and after the war used this at least partially to establish his wealth.

In 1944–1945 Switzerland was the most obvious place for depositing Nazi property expropriated from the Jews. Few Nazis had as many opportunities to hide their wealth in Switzerland as Becher did. By October 1944 the talks with Saly Mayer had reached a point where it became necessary for the Nazis to go to Switzerland. After lengthy diplomatic wrangling, on October 25 Becher got a visa to go to Switzerland.³⁹⁷ This was an exceptional chance, open to only a very few even from the highest SS leadership later on. Following a briefing in Berlin, Becher arrived in Zurich together with Kettlitz on November 2, where he conducted talks with McClelland on November 5.³⁹⁸ Kasztner and Dr. Billitz had been staying in Switzerland since October 29.³⁹⁹

Becher (together with Billitz and Kasztner) left Switzerland on November 6, so he had five days in Zurich to conduct any financial transactions. Kasztner indeed mentions in his memoirs that Becher “was busy executing various requests from Himmler and his SS friends.”⁴⁰⁰

Kettlitz, Becher’s confidant, stayed in Switzerland up until November 28 and was in permanent contact with his boss all the time.⁴⁰¹ But the presence of an SS officer lawfully staying in Switzerland was so embarrassing to the Swiss authorities that on November 27 they expelled Kettlitz from the country. After the war Becher did not deny that he had had Kettlitz deposit various sums in Switzerland.⁴⁰² It is obvious, however, that he did not admit to all the transactions of this kind. The same was acknowledged by Herbert Kettlitz in a testimony made under oath in 1948.⁴⁰³

But Becher's Swiss connection did not end here. Between November 1944 and February 1945 Becher and/or his representatives met Saly Mayer on four occasions on the Swiss–German border.⁴⁰⁴

Becher even managed in March 1945, amidst the total collapse of the Third Reich, to arrange for a Hungarian businessman, Tamás Pécsi, to go to Switzerland so that he could sell some valuables entrusted to him. 25 percent of the sales revenue was supposed to be paid to Becher in commission.⁴⁰⁵ It cannot be excluded that in this particular case Béla Imrédy, one of the leading Hungarian figure of the extremists was right when he claimed that Becher wanted to sell Weiss Manfréd shares in Switzerland.⁴⁰⁶ The transaction never eventuated, but the whole affair indicates that Becher had no problems at all maintaining contact with Switzerland even in the spring of 1945. Becher had good reason for moving closer and closer to the frontier in May 1945. He was intending to go to Switzerland, where he was awaited by Kasztner.⁴⁰⁷

Müller-Tupath mentions an occasion in 1945 when Becher, now held in U.S. detention, allegedly promised to give 200,000 Swiss francs to CIC officer Essex if he helped him to get away. This is when he first caught the attention of the Americans. According to this story, Becher told some CIC servicemen to go to the Swiss–German border and look for a border guard called “Mustaccio,” whom they allegedly did actually find. They were to ask him to call Saly Mayer, Becher's negotiating partner in 1944–1945, and tell him to come to the frontier. The Americans then called Mayer from the frontier, who willingly sent a military vehicle to pick them up. The meeting took place in St. Gallen, and Saly Mayer allegedly said that he had nothing left of Becher's money. They believed him.⁴⁰⁸ Several people see this affair as evidence that Becher gave Saly Mayer money that had been extorted from Hungarian Jews. In the absence of evidence, it is difficult to say what really happened, but doubtless this story could be true. In the already quoted TV interview of 1994 Becher naturally insisted that he had kept nothing from Jewish assets.⁴⁰⁹

All in all, it seems likely that Becher deposited and/or made arrangements to have deposited in Switzerland much of the assets extorted from the “Kasztner Jews” and others.⁴¹⁰ The values we are talking about, expressed at the 1945 exchange rate in U.S. dollars, were measurable in millions. There is reason to believe that Becher got his legendary post-war wealth partly from these assets.

II. ASSESSMENT OF BECHER'S CHARACTER

After the end of the war the Americans held Becher in captivity until 1948. Becher made dozens of often contradictory testimonies, as is clear from the above. In 1945 he was put at the disposal of the Hungarian authorities as a witness, but in January 1946 the Americans asked to have him back. The Hungarians had no choice but to return him as requested, albeit they were reluctant to do so.⁴¹¹ In 1946 the Hungarian authorities repeatedly asked for Becher to be extradited, and even the Minister of Justice intervened for this purpose, but all in vain. The Americans were asking for more and more information every time, for instance wanted the Hungarians to tell the precise address of Becher, who was their prisoner, and ultimately nothing happened.⁴¹² Becher was released in 1948, returned to Hamburg and while he left with hardly any money, suddenly a lot of it turned up in his hands. Later Becher claimed that he raised a start-up capital of 50,000 marks from Oppenheim's son-in-law, whom he got to know in connection with the above mentioned Aryanizing scheme in 1942. Allegedly the Oppenheims recommended Becher to other banks as well, and lent him millions later on.⁴¹³

Then Becher settled down in Bremen, bought himself a company, and obtained a fodder and agro-economic wholesale license. As a twist of fate, Becher's acting on behalf of a brokerage company, traded with countries of the Communist bloc such as Czechoslovakia, but mostly with Hungary, from where he imported honey and pepper. Even while an order of arrest issued by the Hungarian Ministry of Justice against Becher was still in force, this did not prevent Becher from channeling a large part of the Hungarian agro-economic export to the German Federal Republic.⁴¹⁴ This state of affairs amply demonstrates the infinite cynicism of the Hungarian Communist regime, and explains at the same time why in 1961 Becher agreed to talk to the Hungarian journalists who were trying to track him down. While the Hungarian communists accused the German Federal Republic of covering up war crimes, having extensive economic ties at the same time with a former SS-Colonel, Himmler's envoy, caused them no headaches, as this relationship yielded hard currency that was so vital for the Communist deficit economy. All this proves that while the Hungarians knew exactly where to look for Becher, they never asked for his extradition from the Adenauer regime. Becher

was even invited to a reception ceremony hosted by the Hungarian ambassador visiting Bremen.

By the 1980s Becher had built up excellent U.S. economic contacts. In 1987 he sold his company and transferred his shares to his children and American business partners.⁴¹⁵ He also escaped punishment in all prosecutions brought against him, and in 1995 died at the age of 86, a multi-millionaire, and what is even more surprising, a free man.

More research is needed to end the ambiguity surrounding Becher's actions. In attempting to evaluate Becher's character it must be acknowledged that his story lacks transparency on several points.

It is very possible that as a member of Fegelein's SS Cavalry Brigade Becher did take part in the atrocities and war crimes committed against the Jews, though there is no clear evidence to support it. Clearly, Becher was not a mass murderer in the bureaucratic/technocratic sense of the word, on Eichmann's level, nor at the other extreme can he be put in the same class as the sadistic SS-Hauptscharführer Otto Moll, who massacred hundreds of people in Auschwitz-Birkenau with his own hands.

Rather, we see Becher as highly intelligent, unscrupulous realist and cynic, who in the face of Germany's imminent military defeat recognized that belonging to the Nazi establishment could cause him serious problems after the end of the war for the rest of his life. As he did have something to do with the *Endlösung*, the Nazis' darkest secret and crime, from very early on, he very shrewdly recognized that his escape from under the ruins of the Third Reich could be guaranteed precisely by hitching himself to the Jewish issue. Just as acutely, he realized that it might even be possible to make a deal of money out of building up an alibi as a savior of lives. And it seems that his calculations did pay off, since he died in the mid-1990s in Bremen at a ripe old age and as a wealthy man. His story thus presents a stark contrast to the fate of others involved in the same events: Eichmann, Wisliceny, Kaltenbrunner, and Pohl were hanged, Himmler committed suicide, Bobermin and August Frank were imprisoned, Schellenberg died young of cancer, Kasztner was shot dead in front of his own home in Tel-Aviv, Billitz died of typhus in besieged Vienna, Brand had a mental breakdown from what he had lived through. Yet, Becher emerged unscathed.

Apart from the Kasztner affair and the surrender of Bergen-Belsen, there is hardly any direct, unambiguously evidenced connection between Becher's actions and Himmler's general directives in favor of the Jews (sparing the Jews of Budapest in August 1944, and stopping the mass

exterminations at Birkenau), but—to use Yehuda Bauer’s very precise and cautious way of putting it—“the series of talks in Switzerland was a factor that reinforced the relatively less murderous tendencies of some German leaders.”⁴¹⁶ Even this is far more than could be said about most Nazis’ actions. Moreover, the passengers of the “Kasztner Train,” Chorin and others, many starving prisoners in Bergen-Belsen, and a few other individuals (e.g. Mosche Schweiger in Mauthausen) undoubtedly had Becher to thank for their lives, notwithstanding the fact that of course they were charged a very high price. Becher put a high price on everything. His clever analysis of the situation made him a wealthy man and saved him from punishment after the war as well. But all this is completely irrelevant from the point of view of the people whom he had saved. They survived, while others didn’t.

But for all that it would be irresponsible to call Becher a mass murderer, neither does he deserve to be called the greatest rescuer in history. And not only because he possibly did stain his hands with Jewish blood, and that the opinions praising him are not supported by firm evidence, but also because after examining the arguments of those who would glorify Becher to the heavens, it is clear that the positive decisions which Becher allegedly pressed Himmler to make were in reality made by Himmler, and so in the final analysis Himmler is the one to be credited for them. According to this logic, Himmler was clearly “greatest rescuer” than Becher, if not the greatest savior of people in the history of mankind. Hopefully, no one seriously thinks along these lines, which would be as absurd and grotesque as the way Wisliceny, Eichmann, and Winkelmann subsequently portrayed themselves as saviors of lives.

Becher served an organization whose task was mass murder, his superiors had long careers as war criminals, Becher fought “for the Vaterland and the Führer,” and as he rose ever higher in the hierarchy of his organization in the service of SS interests, he participated—however delicately—in the looting and Aryanization of Jews fearing for their lives, bargained at international talks with the lives of Jews deported to concentration camps and sentenced to death, and until April 1945 was willing to facilitate the flight of certain individuals and groups only at an obscenely high price. Becher was no economic genius: any specific scheme or arrangement he was involved in was always suggested by his solicitor or partner in the negotiations, or was prescribed to him by his superiors; nor was it particularly difficult to evacuate Hungarian industry when it was offered on a plate by the Arrow Cross collaborators. Bech-

er was no ingenious diplomat either: it was easy to grill Baron Oppenheim when he was backed into a corner by Hitler and Himmler, or Chorin whom Becher rescued from the concentration camp and who feared for his family. On the other hand, Becher achieved in practice no tangible results with the American McClelland or with Saly Mayer. Becher seldom took any personal risks; rather, he tended to hide behind his official position or anyone's back who could protect him at any time. What Becher was particularly good at was cautiously observing and assessing shifts of power within the SS, as well as maneuvering between various power groups and lobbying. These are clearly not the traits of a courageous rescuer, much rather those of a cool, calculating careerist. Becher's lasting achievement lay not so much in saving the lives of others, but in guarding his own interests and saving his own skin.

NOTES

- 1 Kirchhof 1994.
- 2 Karsai, L. 2001, 211.
- 3 See chapter *A holokauszt Dániában* (The Holocaust in Denmark). Karsai, L. 2001, 131–136.
- 4 Pritz 1999, 162.
- 5 Pritz 1999, 163.
- 6 Gerstein's story and testimony was published in Hungarian by Kraus, and Kulka 1961, 59–74. About the same in English see *The Trial of Adolf Eichmann* 1994, 1221–1229, 1557–1559, 2149–2151.
- 7 Hilberg 1985, 890–892.
- 8 Lifton 1998, 164.
- 9 Hecht 1961, 62; Lévai 1966, 3.
- 10 Ofry 2000, 55.
- 11 See note 9.
- 12 Emenegger 1962–1963.
- 13 A good example of this is when Lévai cites in his own book an excerpt from the minutes of Eichmann's testimony: "The usual police mentality ought to be dropped. It is the Reichsführer's express wish that in Hungary everything should be done as quickly as possible. The situation on the front calls for urgency..."—Eichmann is quoting Becher's words in his testimony made in Jerusalem. Eichmann is surprised by Becher's self-confident behavior, and immediately writes a report about the meeting to his superior, SS-Gruppenführer Heinrich Müller, head of the Gestapo. The answer is clear enough: "SS-Obersturmbannführer Kurt Becher was sent to Budapest by Himmler on an important mission as his personal representative ..." Lévai 1966, 6–7. In Eichmann's testimony, however, Müller does not say anything like that.

According to the authentic minutes, Eichmann testified as follows: "... Müller did not say anything specific about this, he merely wanted to talk to him ... [that is, to Becher—G. K.—Z. V.]" *The Trial of Adolf Eichmann* 1994, 1082. The "mistake" is not a decisive one, because Becher did indeed have Himmler's authorization, but this is a typical example of Lévai's using the documents.

- 14 Lévai 1966, 4.
- 15 Müller-Tupath 1999.
- 16 Pintér, and Szabó 1962; and Pintér, and Szabó 1961.
- 17 Müller-Tupath 1982.
- 18 Becher's testimony, Bremen, June 20, 1961. *The Trial of Adolf Eichmann* 1994, 1914.
- 19 Becher's SS Officer's file. NACP RG 242 A 3343 SS Officers Files, roll 046, 53073.
- 20 Ibid. SS number: 4.486.195.
- 21 Becher's testimony. Nuremberg, March 27, 1946. Mendelsohn 1982, vol. 14. 207–208. Lévai systematically suggests that military training in Dachau and Oranienburg boiled down to torturing the prisoners of nearby camps. This is not true. Lévai 1966, 10–11. Eichmann—who was a member of the Austrian Legion rather than the Totenkopf—also underwent tough SS military training in Dachau, but had nothing to do with what was going on in the camps. Before the war, Death Head Regiments, gradually growing in number, started to be increasingly trained in military operations, and for a good reason. Commander-in-Chief Theodor Eicke had serious ambitions for an army career, and indeed by 1940 he had set up the 3rd SS Totenkopf Divisions under his own command, which soon developed into an elite unit and was repeatedly distinguished by its brutality. In the camps Death Head elite units were soon replaced by injured soldiers returning from the front line and people unfit for army service. During his training Becher was at most on patrol duty around the camp, and it is hardly likely that he ever had any contact with prisoners.
- 22 Höhne 1969, 455.
- 23 Emenegger, April 18, 1963
- 24 Becher's testimony. Bremen, June 20, 1961. *The Trial of Adolf Eichmann* 1994, 1914.
- 25 Ibid.
- 26 Becher's testimony. Nuremberg, March 27, 1946. Mendelsohn 1982, vol. 14. 198.
- 27 Müller-Tupath 1999, 16.
- 28 Becher's SS Officers File. NACP RG 242 A 3343 SS Officers Files, roll 046, 53068, 53065–53066.
- 29 Becher's testimony. Nuremberg, March 27, 1946. Mendelsohn 1982, vol. 14. 208.
- 30 Becher's testimony. Nuremberg, March 27, 1946. Published by Emenegger April 18, 1963.
- 31 Ibid. and Becher's testimony. Bremen, June 20, 1961. *The Trial of Adolf Eichmann* 1994, 1914.

- 32 Kogon's findings are quoted by Emenegger, April 18, 1963. See also Lévai 1966, 12–14.
- 33 Chorin 1999, 162.
- 34 Hilberg 1985, 574–577, 616–621.
- 35 Lévai 1966, 14.
- 36 About the Morgen investigation see Höhne 1969, 383–387. About the Auschwitz investigation of Morgen see Czech 1997, 655, 672, 693. Morgen's testimony is quoted by Czech 1997, 1014.
- 37 Büchler 1986, 14–15.
- 38 Becher's testimony. Bremen, June 20, 1961. *The Trial of Adolf Eichmann* 1994, 1914.
- 39 Hilberg 1985, 296–297.
- 40 Quoted by Büchler 1986, 15.
- 41 Büchler 1986, 15–16.
- 42 Ibid.
- 43 A copy of the order of appointment is published by Emenegger April 25, 1963.
- 44 About the massacres committed in these places and their surroundings see Einsatzgruppen reports. Arad, Krakowski, and Spector 1989, 20, 22, 37, 46, 51, 84, 115, 117–118, 122–124, 148, 181, 206–207, 263–265. Einsatzgruppen reports were published also by Klein 1997.
- 45 Müller-Tupath 1999, 57–59, 100.
- 46 Müller-Tupath 1999, 107.
- 47 Müller-Tupath 1999, 209.
- 48 Müller-Tupath 1999, 90.
- 49 Müller-Tupath 1999, 209–210.
- 50 For example Müller-Tupath 1999, 110–113.
- 51 Despite all their effort, Lévai and Emenegger failed to prove convincingly Becher's participation in mass murder.
- 52 Becher's testimony. Bremen, June 20, 1961. *The Trial of Adolf Eichmann* 1994, 1914.
- 53 By courtesy of Krisztián Ungváry, March 10, 2001.
- 54 Quoted by Müller-Tupath 1999, 103.
- 55 A copy of the order of appointment was published by Emenegger, April 25, 1963.
- 56 True, they were relatives for no more than a few hours, because Hitler married Eva Braun only on April 29, 1945, directly before committing suicide. A few hours after the wedding Fegelein was dead, shot on Hitler's orders for desertion in the courtyard of the Chancellery, on the grounds that he had left the bunker on April 27 without permission.
- 57 Müller-Tupath 1999, 114–115.
- 58 Becher's testimony. Nuremberg, March 27, 1946. Mendelsohn 1982, vol. 14. 199–200, 221–222.
- 59 Becher's SS Officers File. NACP SS Officer Files, roll 046.
- 60 He was awarded the Infantry Assault Medal (Infanterie Sturmabzeichen), the Close Combat Ribbon in Bronze (Nahkampfspange in Bronze), and the German Gold Cross (deutsche Kreuz in Gold). Becher's testimony. Bremen, June

- 20, 1961. *The Trial of Adolf Eichmann* 1994, 1915. The first two medals were given specifically to people who distinguished themselves in close combat with the enemy, and the German Gold Cross was considered a very high honor. Still, despite this being the case, according to Müller-Tupath Becher did not take part in any fighting even then, an assertion which she supports by Fegelein making no reference to Becher's military virtues. Müller-Tupath 1999, 121.
- 61 Lévai 1966, 18–19.
- 62 Emenegger, December 27, 1962.
- 63 Becher's testimony. Nuremberg, June 12, 1947. NMT 5. 682.
- 64 A description of this case is included in the book on the history of the Oppenheim family. Stürmer, Teichmann, and Treue 1994, 410–417.
- 65 Becher's testimony. Nuremberg, June 12, 1947. NMT 5. 682–683.
- 66 Stürmer, Teichmann, and Treue 1994, 417.
- 67 Becher's testimony. Nuremberg, June 12, 1947. NMT 5. 682–684.
- 68 Stürmer, Teichmann, and Treue 1994, 417–418.
- 69 Frank's words are quoted by Emenegger, January 3, 1963.
- 70 The organization of the SS-WVHA is described by Hilberg 1985, 868–869.
- 71 Quoted by Hilberg 1985, 1022.
- 72 Emenegger April 25, 1963.
- 73 Becher's testimony. Nuremberg, March 27, 1946. Mendelsohn 1982, vol. 14. 201–202.
- 74 Frank is quoted by Emenegger, January 3, 1963.
- 75 Jüttner is quoted by Emenegger, *ibid*.
- 76 Lévai 1966, 20.
- 77 Jüttner is quoted by Emenegger, January 20, 1963.
- 78 Becher's testimony. Budapest, December 11, 1945. MOL 16/001124/1-3/1963 box 18.
- 79 Becher testimony. Nuremberg, March 27, 1946. Mendelsohn 1982, vol. 14. 211–213.
- 80 *Ibid*.
- 81 Kurt Becher's SS Officer File. NACP SS Officer Files, roll 046.
- 82 Becher's testimony. Budapest, December 11, 1945. MOL 16/001124/1-3/1963 box 18.
- 83 Braham 1997, 401.
- 84 Bobermin's business card read: *Dr. Hans Bobermin, SS-Obersturmbannführer, Amtschef im Wirtschafts-Verwaltungshauptamt*. Published by Karsai, E. and Szinai 1961, 703. As the head of Department II of SS-WVHA's Office Group "W" (Amtsgruppe "W"), Bobermin was for a long time in charge of the eastern dealings of DEST (Deutsche Erd- und Steinwerke). It indicates the importance of his position that Amtsgruppe "W" was directed by Oswald Pohl himself, the head of SS-WVHA. Hilberg 1985, 869. After the war, Bobermin was sentenced by the Americans to 20 years in prison, but was released in 1951 with amnesty.
- 85 Unlike concentration camps, monofunctional extermination camps on the territory of the Polish Generalgouvernement in 1942–1943 (Treblinka, Sobi-

- bor, Belzec) were overseen not by the SS-WVHA, but by Himmler's commissioner, Odilo Globocnik, SS und Polizeiführer of Lublin. At the same time, looted Jewish assets were administered by Special Section G (Sonderstab "G"), which was delegated by the SS-WVHA to assist him. While these camps collectively reported to the SS-WVHA, the economic section of the Auschwitz-complex consisting of three main camps (Auschwitz I—concentration camp, Auschwitz II/ Birkenau—extermination camp, Auschwitz III/ Monowitz—labor camp, and dozens of sub-camps) did so individually. Chelmno was not part of this structure.
- 86 Rudolf Höss describes this in detail in his memoirs. Höss 1959, 159–161.
 - 87 The SS-Führungshauptamt and Jüttner became powerful in Hungary only in the fall of 1944, as the front line was advancing.
 - 88 Höss recalls that when Himmler told him about Hitler's order to exterminate the Jews, he was also told not to talk about this to his superior, Richard Glücks, the head of the Inspectorate of the Concentration Camps. Himmler's order went as follows: "Treat this order absolutely confidentially, even before your superiors in command." Höss 1959, 183. About Globocnik see Arad 1999, 14–16.
 - 89 Oswald Pohl's testimony. Nuremberg, June 3, 1946. Mendelsohn 1982, vol. 17, 54.
 - 90 Dieter Wisliceny's testimony. Nuremberg, November 15, 1945. Mendelsohn 1982, vol. 12, 48.
 - 91 Becher's testimony. Nuremberg, March 27, 1946. Mendelsohn 1982, vol. 14, 217.
 - 92 Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 15, 71.
 - 93 Mendelsohn 1982, vol. 15, 65.
 - 94 "SS-Obersturmbanführer Becher ... von Stabe des Höheren SS und Polizeiführers." A copy of the original text is found in MOL XXIX-L-2-r, fascicle 74.
 - 95 Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 15, 75.
 - 96 Chorin 1999, 148.
 - 97 Trenker interview. Bokor 1982, 84–85.
 - 98 Pintér, and Szabó 1962, 192–194.
 - 99 Chorin 1999, 148–154.
 - 100 Becher's testimony. Budapest, December 11, 1945. MOL 16/001124/1-3/1963 box 18.
 - 101 Becher's testimony. Nuremberg, February 7, 1946. Braham 1963, 900.
 - 102 Chorin 1999, 157.
 - 103 Ibid.
 - 104 Braham 1997, 523.
 - 105 Minutes of the meeting of the Council of Ministers about restricting access to bank deposits and closing safe deposit boxes. March 29, 1944. Benoschofsky, and Karsai, E. 1959, 59–63.
 - 106 For instance the cover page of the newspaper *Függetlenség* read as follows: "Jewish Assets Frozen."
 - 107 Lévai 1966, 23.

- 108 Ránki 1978, 216.
- 109 Pintér, and Szabó 1962, 190.
- 110 Chorin 1999, 158–159.
- 111 Becher's testimony. Budapest, December 11, 1945. MOL 16/001124/1-3/1963 box 18.
- 112 "Winkelmann hat zu mir gesagt, er will sich in diese Dinge nicht einschalten, ich soll zu Himmler gehen. Da Fegelein früher mein Kommandeur war und zugleich Verbindungsmann zwischen Himmler und Hitler, ist es mir überhaupt nur gelungen, zu Himmler zu kommen." Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 15, 65. It was probably then that he told Himmler: "Ich habe ihn gesagt, das ich mit meinem Auftrag nicht weiter komme, ich brauche dazu die Hilfe einer ungarischen Gesellschaft, die für mich kauft. Er solle mir erlauben, Herrn Kurrin (Chorin) aus dem KZ (Konzentrationslager) zu holen." Becher's testimony. Nuremberg, March 2, 1948. Mendelsohn 1982, vol. 15, 51.
- 113 Chorin 1999, 159–160.
- 114 Ibid.
- 115 Karsai, E., and Szinai 1961, 686.
- 116 Chorin 1999, 160.
- 117 Ibid.
- 118 Recollections of István Vasdényey, Kistarcsa camp commandant. MZSML I, box 7/7, 5.
- 119 Liberation List (Liste der Ungarn). ABSM Mat/3, 29676. According to our information, Vida died in the same year. Chorin 1999, 291.
- 120 Becher's testimony. Budapest, December 11, 1945. MOL 16/001124/1-3/1963, box 18.
- 121 Chorin 1999, 161.
- 122 Becher's testimony. Budapest, December 11, 1945. MOL 16/001124/1-3/1963, box 18.
- 123 Chorin 1999, 161.
- 124 Becher's testimonies. Budapest, December 11, 1945 and November 14, 1945. MOL 16/001124/1-3/1963, box 18. See also Becher's written statement made in 1961. Pintér, and Szabó 1962, 195.
- 125 Biss 1975, 60.
- 126 Chorin 1999, 161.
- 127 Becher's testimony. Budapest, November 24, 1945. MOL 16/001124/1-3/1963, box 18.
- 128 Becher's testimony. Nuremberg, March 2, 1948. Mendelsohn 1982, vol. 12, 49.
- 129 Becher's testimony. Budapest, November 24, 1945. MOL 16/001124/1-3/1963, box 18. See also Becher's written statement made in 1961. Pintér, and Szabó 1962, 194–195.
- 130 Chorin 1999, 162.
- 131 Becher's testimony. Budapest, November 24, 1945. MOL 16/001124/1-3/1963, box 18.
- 132 Müller-Tupath 1999, 128–129.

- 133 Becher's testimony. Budapest, November 28, 1945. Ibid; Lévai 1966, 31.
- 134 The text of the Agreement was published by Karsai, E., and Szinai 1961, 691.
- 135 Published by Karsai, E., and Szinai 1961, 688.
- 136 Karsai, E., and Szinai 1961, 693–695.
- 137 Count János Korányi's testimony. Budapest, April 26, 1946. Cited by Pintér, and Szabó 1962, 198.
- 138 For the full letter see Chorin 1999, 174–177.
- 139 Karsai, E., and Szinai 1961, 685. The authors make reference to the British historian C. A. Macartney, who probably found out about the contents of Agreement IV from Becher and/or the dynasty.
- 140 Kurt Becher's testimony. Budapest, November 28, 1945. MOL 16/001124/1-3/1963, box 18; Published by Karsai, E., and Szinai 1961, 711–715.
- 141 For the detailed description of the decree see above.
- 142 Karsai, E., and Szinai 1961, 690.
- 143 Becher's testimony. Budapest, November 29, 1945. MOL 16/001124/1-3/1963, box 18. This statement is confirmed also by Reményi-Schneller's "favorable" (to say the least) report for the SS, which was delivered to the Council of Ministers meeting held on August 17. What is more, he was an acting Head of Government while Sztójay was away sick. Benoschofsky, and Karsai, E. 1960, 143–144.
- 144 Lévai 1966, 38–39.
- 145 Published by Benoschofsky, and E. Karsai 1960, 137.
- 146 For the plans and the economic strategy of the Sztójay government regarding Jewish assets see above.
- 147 Becher's testimonies. Budapest, November 28–29, December 6, 8, 11, 1945. MOL 16/001124/1-3/1963, box 18.
- 148 Minutes of meeting of the Council of Ministers. June 10, 1944. Benoschofsky, and E. Karsai 1960, 137–138.
- 149 Becher's testimony. Budapest, November 29, 1945. MOL 16/001124/1-3/1963, box 18.
- 150 Veesenmayer's telegram to Ribbentrop. May 26, 1944. Juhász et al. 1968, 856.
- 151 Sipos 1999, 61.
- 152 Müller-Tupath 1999.
- 153 While the Weiss Manfréd concern was a great coup, it was far from being the only conglomerate of factories managed by the SS. The SS controlled industrial giants from the very beginning of the war (e.g. Deutsche Erd- und Steinwerke GmbH, Deutsche Ausrüstungswerke GmbH, Deutsche Versuchsanstalt für Ernährung und Verpflegung GmbH, Gesellschaft für Textil- und Lederwertung GmbH) Höhne 1969, 406. By the end of the war Himmler not only had his own army, he also controlled a vast economic base comprising dozens of large companies.
- 154 Becher's testimony. Budapest, December 6, 8, 1945. MOL 16/001124/1-3/1963, box 18.
- 155 For a detailed analysis of these events see Braham 1997, 1012–1101; Bauer 1994, 172–209; Bauer 1977, 5–45.

- 156 Rezső Kasztner's report on the events of 1944–1945 I–II. YVA 015H/35 (hereafter: the Kasztner Report) I. 33–34.
- 157 Before coming to Hungary in spring 1944, Wisliceny worked as a special advisor of the German Embassy to Bratislava for years (and in 1943 coordinated the deportation of Greek Jews). Acting as a kind of attaché responsible for police and Jewish affairs, he was Himmler's and Eichmann's representative in the Slovakian capital. As a result of his activities, on March 26, 1942 the mass deportation of Slovakian Jews started. Rabbi Michael Dov Weissmandel, head of the Bratislava Zionist Aid and Rescue Committee, contacted Wisliceny to offer him money for stopping the deportation. Wisliceny received the first instalment of 25,000 dollars at the end of June, and deportations stopped almost immediately. But this was due primarily to other causes, namely the protest of the Vatican, which had great influence in Pater Tiso's Slovakia, and Slovakian authorities getting fed up of the Germans demanding 500 marks in "costs" for every deported Jew. In the fall trains were re-started, and with great difficulty Weissmandel paid Wisliceny once again. Deportations again stopped, and Zionists continued the talks. The Jewish leaders of Slovakia were mistaken when they attributed this to Wisliceny's role. In 1943 Zionist leaders and Wisliceny discussed the so-called Europe Plan with Himmler's knowledge. Under this plan the Germans were willing to drop the idea of liquidating 1 million European Jews in exchange for 2 million dollars. The plan was never implemented, but Weissmandel and his circle credited Wisliceny for the survival of the remainder of the Slovakian Jews, some 30,000 people, until the outbreak of the anti-German uprising in the fall of 1944. Wisliceny, who arrived in Budapest in March 1944, brought with him Weissmandel's letter of recommendation, upon reading which Kasztner and his circle took him into their confidence. For a detailed description of the talks in Slovakia and the "Europe Plan" see Hilberg 1985, 719–738; Bauer 1994, 62–101; Braham 1997, 778, and the May 9, 1943 report written by Gizi Fleischmann, Weissmandel's assistant (later killed in Auschwitz) and her letters to "Uncle Saly" (Saly Mayer) dated July 1 and 17, 1943. YVA M-20/93.
- 158 Kasztner Report I. 53–71; Weissberg 1958, 78–86. (This book was really written by Joel Brand, but for copy-right reasons it was published under Weissberg's name. So like the Kasztner Report this book is an essential source document.)
- 159 Kasztner Report I. 61. See also Ottó Komoly's diary, the entry made on May 2, 1944 YVA, P31/44.
- 160 Weissberg 1958, 88–94.
- 161 Schellenberg 1989, 267.
- 162 Vago 1974, 123.
- 163 Bauer 1994, 103.
- 164 Kolb 1984, 335.
- 165 On this see for example Bauer 1994, 168. In late June 1944 the Hungarian government, too, seemed willing to allow the departure of a couple of thousand Hungarian Jews, as long as they came under international protection

- and/or possessed travel documents. The Allies responded reluctantly and with unease to the so-called Horthy Offer, which was designed to improve Hungary's fatally wounded international image. Hitler agreed to a limited scope emigration in principle, on two conditions: 1. The destination of migration must not be Palestine; 2. The Hungarians must continue deportations. These conditions made the plan unfeasible, and it was soon taken off the agenda. Braham 1997, 833–837. and 1211–1216.
- 166 Eichmann 1960b.
- 167 Kluge was interrogated by SS-Gruppenführer Jürgen Stroop, who crushed the Warsaw ghetto uprising. For details see Moczarski 1981, 372–380.
- 168 Bauer 1994, 192.
- 169 Kasztner Report I. 86–128; Biss 1975, 91–94. Biss was not a member of the Aid and Rescue Committee in the beginning, but in 1944–1945 he played an important role among Zionists, acting as Kasztner's right hand man. His main contact was SS-Hauptsturmführer Otto Klages (or Clages), the head of the Security Service of Budapest.
- 170 Kasztner Report I. 133–134.
- 171 Ibid.
- 172 Becher said in his testimony in the Eichmann case: "As far as I remember, in co-ordination with the Jewish Committee [the Aid and Rescue Committee—G. K.–Z. V.], persons were proposed for this transport by my staff... I think it is possible that, when these people left the country, they handed over some goods or monetary valuables." Becher's testimony. Bremen, June 21, 1961. *The Trial of Adolf Eichmann* 1994, 1922. A witness to the case, Moshe Rosenberg, who left Hungary on the Kasztner Train, recalled that Becher's protégés paid "very large sums" of money. Moshe Rosenberg's testimony. Jerusalem, May 31, 1961. *The Trial of Adolf Eichmann* 1994, 1079.
- 173 Kasztner Report I. 136.
- 174 Becher's testimonies. Nuremberg, March 2, 1948 and July 7, 1947. Mendelsohn 1982, vol. 15, 56–57 and 48–49.
- 175 Becher's testimony. Nuremberg, February 7, 1946. Braham 1963, 898–899.
- 176 Becher's testimony. Bremen, June 20, 1961. *The Trial of Adolf Eichmann* 1994, 1917.
- 177 Biss 1975, 87.
- 178 Lang, and Sibyll 1983, 207; *The Trial of Adolf Eichmann* 1994, 1539; Eichmann 2000, 219.
- 179 Eichmann 1960b.
- 180 Becher's testimony. Bremen, June 20, 1961. *The Trial of Adolf Eichmann* 1994, 1916.
- 181 Kasztner Report I. 129.
- 182 Testimony of Sólem Offenbach ("teller" of the Aid and Rescue Committee) in the "Kasztner and Associates" case. TH V-129.355/b.
- 183 Kasztner Report I. 114.
- 184 Kasztner Report I. 128; Biss 1975, 83.
- 185 Eichmann 2000, 217.
- 186 Lang, and Sibyll 1983, 219.

- 187 In March 1942 Himmler drew the Inspectorate of the Concentration Camps under the control of the newly set up WVHA. SS-WVHA's economic interest was to keep Jews who were capable of work alive as long as they could perform forced labor. At the same time, RSHA's objective was to complete their liquidation as quickly and fully as possible. Höhne 1969, 391 and 434. Himmler used the "interregnum" following Heydrich's death in the second half of 1942 to weaken the position of the RSHA. He drew certain economic functions under the SS-WVHA's control, and transferred some personnel functions to the SS Main Office (SS-Hauptamt). Höhne 1969, 553. Chaos was only compounded by Himmler's often contradictory actions: the Reichsführer wanted to see as many Jews dead and as many Jewish workers alive as possible at the same time. Accordingly, he consented to killing every Jew in the extermination camps near Lublin, including several hundred thousand working men and women immediately upon their arrival, while demanding Pohl and the SS-WVHA to increase the volume and to accelerate production output.
- 188 SS-Obersturmbannführer Bobermin, already mentioned before, assisted Becher throughout the Weiss Manfréd affair. For a long time he headed Department II of Office Group W of the SS-WVHA, the latter under Pohl's personal control.
- 189 Theodor Horst Grell's testimony. Berchtesgaden, June 14, 1961. *The Trial of Adolf Eichmann* 1994, 1911.
- 190 Kasztner Report I. 136.
- 191 On disputes about the number of Strasshof deportees see Molnár 2000, 195–197.
- 192 Kaltenbrunner's letter to Blaschke. June 3, 1944. Braham 1963, 415–416.
- 193 Our opinion coincides with that of László Karsai. Karsai, L. 2001, 267–268.
- 194 Höhne 1969, 336–338.
- 195 Bauer 1977, 12.
- 196 On the exact order, timetable, and progress of the talks see Kasztner Report I. 197.–II. 109; Bauer 1977; Bauer 1994 196–251; Mendelsohn 1982, vol. 16.
- 197 Kasztner Report I. 195.
- 198 Bauer 1977, 38.
- 199 Becher's testimony. Bremen, June 21, 1961. *The Trial of Adolf Eichmann* 1994, 1921.
- 200 Kasztner Rezső's statement about Becher. Nuremberg, August 4, 1947. Published by Szekeres 1997, 259–261.
- 201 Braham 1997, 871.
- 202 Braham 1997, 874.
- 203 Becher's telegram to Himmler. August 25, 1944. Braham 1963, 635–636.
- 204 It should be noted that, according to Braham, the telegram came early in the morning on August 24. Braham 1997, 874. Yet Veessenmayer's telegram dated August 25 opens with the following sentence: "SS-Obergruppenführer Winkelmann teilt soeben telephonisch mit, dass *er heute nacht 3 Uhr* [our italics G. K.–Z. V.] durch Fernschreiben einen Befehl..." Veessenmayer's telegram to Ribbentrop. August 25, 1944. Braham 1963, 481.

- 205 Himmler's telegram to Becher. August 26, 1944. Braham 1963, 637.
- 206 Kasztner Report II. 3.
- 207 Veessenmayer's telegram to the Foreign Ministry. October 18, 1944. Braham 1963, 506.
- 208 Braham 1963, 914–915.
- 209 For the documents concerning the handing over of companies of labor service men and the drafting see Karsai, E. 1962, 651–663.
- 210 Braham 1997, 920.
- 211 Szita 1989, 71.
- 212 Wallenberg informed the Hungarian Ministry of Foreign Affairs in a detailed report about the sufferings. This report is quoted by Karsai, L. 2001, 359.
- 213 Kasztner Report II. 56.
- 214 Winkelmann's note about Ferenc Szálasi. Budapest, November 11, 1945. BFL Szálasi-case 293/1946 roll 135. These two SS Cavalry Divisions included the already mentioned 22nd Maria-Theresia unit under Zehender's command, and Becher's former 8th Florian Geyer unit, now commanded by SS-Brigadeführer Rumohr, Fegelein's successor.
- 215 Jüttner's testimony. Bad Tölz, May 3, 1961. *The Trial of Adolf Eichmann* 1994, 1907.
- 216 Lang, and Sibyll 1983, 252.
- 217 Veessenmayer's telegram to Ribbentrop. November 21, 1944. Braham 1963, 532–533.
- 218 This is how the so-called international ghetto was set up. Later Szálasi gave up his plans for gaining recognition, and as soon as he did so, the "foreign protection" of Jews lost all meaning.
- 219 For the latest summary on Szálasi's Jewish policy see Karsai, L. 2001, 397–405.
- 220 Veessenmayer's telegram to Ribbentrop. November 21, 1944. Braham 1963, 532–533.
- 221 Veessenmayer's telegram to Ribbentrop. November 23, 1944. Braham 1963, 535.
- 222 Braham 1963, 932.
- 223 Becher's testimony. Nuremberg, February 7, 1946. Braham 1963, 901.
- 224 Jüttner testimony. Bad Tölz, May 31, 1961. *The Trial of Adolf Eichmann* 1994, 1907.
- 225 Winkelmann's testimony. Bordesholm, May 19, 1961. *The Trial of Adolf Eichmann* 1994, 1947.
- 226 Becher's testimony. Nuremberg, February 7, 1946. Braham 1963, 901.
- 227 Becher's testimony. Bremen, June 21, 1961 *The Trial of Adolf Eichmann* 1994, 1919, and Winkelmann's testimony. Bordesholm, May 19, 1961. *The Trial of Adolf Eichmann* 1994, 1947. See also Becher's testimony. Nuremberg, July 10, 1947. Quoted by Lang, and Sibyll 1983, 250.
- 228 Becher's testimony. Nuremberg, July 10, 1947. Mendelsohn 1982, vol. 12, 162.
- 229 Kasztner Report II. 64.

- 230 It should be noted here that SS-Sturmbannführer Wilhelm Höttl, the Hungarian referent of Office VI of the RSHA (SD Ausland), maintained that “deportations would have continued even despite Horthy’s ban, had the Germans insisted upon it... But Himmler stopped deportations himself.” Interview with Höttl, Bokor 1982, 192. Höttl’s suggestion is not really credible.
- 231 Karsai, L. 2001, 401.
- 232 Becher’s testimony. Nuremberg, July 10, 1947. Mendelsohn 1982, vol. 12, 161–177.
- 233 Eichmann 1960b.
- 234 Eichmann testimony. Jerusalem, July 21, 1961. *The Trial of Adolf Eichmann* 1994, 1819.
- 235 Lang, and Sibyll 1983, 222.
- 236 Becher’s testimony. Nuremberg, July 10, 1947. Mendelsohn 1982, vol. 12, 161–177.
- 237 Ibid.
- 238 Ibid.
- 239 Eichmann called this “lies from A to Z.” Lang, and Sibyll 1983, 224.
- 240 Speech by Gabriel Bach, Israeli State Attorney. Jerusalem, June 1, 1961. *The Trial of Adolf Eichmann* 1994, 1118.
- 241 About opinions on and the debate about the Endlösung order see Browning 2000, 26–57.
- 242 The document registered in the Nuremberg under PS-3762 was also used by the Americans during Becher’s interrogation. Nuremberg, March 27, 1946. Mendelsohn 1982, vol. 14, 203–206.
- 243 Becher’s testimony. Oberursel, March 8, 1946. *Nazi Conspiracy*, vol. 6, 3751 PS.
- 244 Quoted in the *The Trial of Adolf Eichmann* 1994, 1119.
- 245 Becher’s testimony in Nuremberg. March 27, 1946. Mendelsohn 1982, vol. 14, 203–206.
- 246 See the previous chapter.
- 247 Mendelsohn 1982, vol. 14, 206.
- 248 See previously quoted figures. Piper 1996, and Vági 2000.
- 249 KL Auschwitz II. Arbeitseinsatz für den 28 Juli 1944. 57 B–61 B. Heizer Krematorium I–IV, Holzablander Krem IV. ABSM D-Au II-3a.
- 250 Hilberg 1985, 868.
- 251 Höss 1959, 192.
- 252 Broad 1997, 136.
- 253 For the exact details see Piper 1993, Tabelle 14–26.
- 254 About changes in the size of the Sonderkommando and about the rebellion see (in Hungarian, based on international works) Kádár, and Vági 1999, 106–108.
- 255 For details see Piper 1996, the tables at the end.
- 256 For the opinion of Auschwitz survivors Ota Kraus and Erich Kulka, physician of the Sonderkommando Miklós Nyiszli, Polish expert of the Auschwitz-Birkenau State Museum Andrzej Strzelecki, and well-known researcher Martin Gilbert, see Kádár, and Vági 1999, 106.

- 257 Czech 1997, 741–744. Czech's above quoted opinion was first published in the German edition of her referenced earlier on: *Kalendarium der Ereignisse im Konzentrationslager Auschwitz-Birkenau 1939–1945*. (Calendar of the Events in the Auschwitz-Birkenau Concentration Camp 1939–1945) 918–922. The above chronology was also adopted in the latest collection of studies about Auschwitz by the best known experts on the subject. Gutman, and Berenbaum 1998, 174, 181, 563–564. See also Danuta Czech's publications on the subject before 1989 summarized by Strzelecki 1995, 80.
- 258 On November 1: 73 women prisoners out of 81 registered death cases were killed, on November 3: 2 of 6, on November 4: 1 of 3, on November 7: 8 of 10, on November 8: 131 of 132, on November 9: 5 of 12, on November 10: 4 of 5, on November 11: 1 of 3, on November 13: 11 of 15, on November 14: 4 of 14, on November 15: 5 of 6, on November 16: 13 of 18, on November 17: 6 of 7, on November 18: 8 of 12, on November 20: 5 of 15, on November 21: 4 of 5, on November 24: 10 of 16, on November 25: 13 of 24, on November 28: 5 of 9, and on November 29: 7 of 11. The rest simply could not stand the starvation, diseases, beatings anymore and died "by themselves." The executions probably took place at the crematoria, and the victims were all women "selected" because of their incapacity to work, i.e. they did not arrive with a new transport. Czech 1997, 743–757.
- 259 Der Standortälteste der Waffen-SS Auschwitz. Standortbefehl Nr. 29/44, November 25 1944. ABSM D-AuI-1.
- 260 Cohen 1998, 529–530.
- 261 Smolen 1973, 120–122, and Inmitten 1996, 184–185.
- 262 Ibid. Interestingly, despite all this Danuta Czech of the Auschwitz-Birkenau State Museum mistakenly dates Himmler's demolition order to November 26. Czech 1997, 754.
- 263 Müller 1999, 161–162. Langfus is mentioned also by a Hungarian physician of the Sonderkommando, Miklós Nyiszli. About this see Kádár, and Vági 1999, 106–107. Moreover, Nyiszli has very similar recollections of the contents of this speech. Nyiszli 1994, 146.
- 264 Kasztner Report II. 31.
- 265 Kasztner Report II. 75.
- 266 U.S. Embassy in Bern, telegram 7565 to the U.S. Secretary of State. November 16, 1944. Mendelsohn 1982, vol. 16, 173–177.
- 267 Kasztner Report II. 64.
- 268 Kasztner testimony. September 13, 1945. Braham 1963, 920.
- 269 Schellenberg 1989, 320.
- 270 Ibid.
- 271 Höss' testimony is cited by van Pelt 2002, 260.
- 272 For a summary of the dual decision theory see also Browning 2000, 26–57, and Browning 1989, 186–216.
- 273 Ofry 2000, 55.
- 274 Ofry's book publishes the above cited 3 documents concerning the stopping of the deportation of Budapest Jews in August on pages 146–148. (Becher's

- telegram to Himmler, August 25; Veesenmayer's telegram to Ribbentrop, August 25; Himmler's telegram to Becher, August 26.) Although the dating on the photocopy of the latter document is clearly "26.08.44," Ofry still tells his readers that "On the same day, i.e. on August 25, Himmler authorized Becher by telegram to carry on the talks." According to the sequence of events suggested (indeed, stated as a fact) by Ofry, Becher first got Himmler to stop the deportations, which Himmler did, then the Reichsführer-SS sent a telegram to Winkelmann about the decision. But facts (especially when recorded on a photograph) tend to be persistent things.
- 275 Ofry 2000, 113.
- 276 Ofry 2000, 113–117. About the inaccuracies in Nyiszli's various accounts see Kádár, and Vági 1999, 92–123.
- 277 Ofry 2000, 113.
- 278 Kasztner Report II. 81, 84 and 96.
- 279 Kasztner Report II. 70.
- 280 The other ghetto was the so-called international ghetto set up in the southwestern residential blocks of Újlipótváros. It was the residence of Jews enjoying (false or real) diplomatic protection. By this time the "international ghetto" in practice had ceased to exist, and most surviving residents had been moved to the "large" ghetto in the 7th District. Braham 1997, 931–932.
- 281 Braham 1997, 959.
- 282 Szekeres 1997, 101–114.
- 283 Szekeres 1997, 116.
- 284 For instance Szekeres 1997, 117.
- 285 Ungváry 1998, notes 242 and 764.
- 286 Quoted by Szekeres 1997, 117.
- 287 Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 15, 77.
- 288 Mendelsohn 1982, vol. 15, 79.
- 289 Mendelsohn 1982, vol. 15, 80.
- 290 Becher's testimony. Nuremberg, July 10, 1947. Mendelsohn 1982, vol. 12, 161–177.
- 291 Bauer 1994, 246.
- 292 Kasztner Report II. 123.
- 293 Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 15, 68.
- 294 Becher's testimony. Nuremberg, February 11, 1948.. Published by Emenegger on January 3, 1963.
- 295 Becher's testimony. June 2, 1961. *The Trial of Adolf Eichmann* 1994, 1920.
- 296 Quoted by Müller-Tupath 1999, 221–222.
- 297 For a summary of structural changes (albeit with minor errors) see Höss 1959, 244–245.
- 298 Höss 1959, 244–248.
- 299 Rudolf Brandt's letter to Kersten. April 8, 1945. Friedlander, and Milton, vol. 4, 265.
- 300 Himmler-Kersten Agreement. March 12, 1945. Friedlander, and Milton, vol. 4, 257.
- 301 Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 15, 68.

- 302 Bauer 1977, 39 and 41.
- 303 Dworzecki 1977, 107.
- 304 Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 15, 67.
- 305 According to Becher, Himmler at the same time allegedly appointed SS-Oberführer (a military rank higher than a Colonel but lesser than a General) Hermann Pister, the commandant of Buchenwald, to be the inspector of southern camps. This marked a step backwards, as is indicated by Pister's subsequent death sentence as war criminal. Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 15, 68 and 72.
- 306 SS-Hauptsturmführer Josef Kramer became infamous as the "Belsen beast," and was later hanged. He committed far worse crimes than this: in the summer of 1944 he was the commandant of Auschwitz II, i.e. the Birkenau extermination camp, so he was one of those with the greatest responsibility for the extermination of the Hungarian Jews.
- 307 Kasztner Report. II. 126–128.
- 308 For a description of the situation a few days before the liberation of the camp see Feig 1981, 375–379.
- 309 On Becher and the talks see Feig 1981, 379–380.
- 310 PoW P. M.'s testimony to the Government Commission for Restitution. Budapest, November 15, 1945. TH unnumbered (currently being processed). This document was pointed out to us by Krisztián Ungváry, for which the authors would like to thank him once again. (The authors possess a photocopy of this document). Feig too mentions Hungarian soldiers shooting at random. Feig 1981, 380.
- 311 Mosche Schweiger's report. October 21, 1945. MOL XXXIII-4-a-22/1945-47, box 3.
- 312 Ibid.
- 313 Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 15, 68.
- 314 Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 14, 225–227.
- 315 Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 14, 206.
- 316 Becher's testimony. Nuremberg, July 7, 1947. Mendelsohn 1982, vol. 14, 229–233.
- 317 Feig 1981, 61.
- 318 Feig 1981, 123–124.
- 319 Dr. Rezső Kasztner: Der Bericht des jüdischen Rettungskomitees aus Budapest 1942–1945. CZA S26/1489. 176.
- 320 Kasztner's testimony. September 13, 1945. Braham 1963, 908–909.
- 321 Kasztner's testimony. Nuremberg, August 4, 1947. Published by Szekeres 1997, 259–260.
- 322 On this see Ligeti 1994, 147–154; Berend, and Ránki 1974b; *Economic co-operation with Germany and expansion in certain countries on the Danube*. MOL KÜM Béke-előkészítő (Ministry of Foreign Affairs, Division for the Preparation of Peace), roll 12.465, title 148, 1–88.
- 323 For the text of the Treaty see MOL XXIX-L-2-r fascicle 51.

- 324 For a copy of the original text see *ibid.* Fascicle 74.
- 325 *Ibid.*
- 326 *Ibid.*
- 327 See the full text of the agreement between Hungary and Germany in BFL Sztójay Case. File of Minister of the Industry Emil Szakváry. 968/1946 762–764.
- 328 *Ibid.*
- 329 Ferenc Kisbarnaki Farkas was the Hungarian Government Commissioner in charge of evacuation and relocation, while the Arrow Cross authorities appointed Endre Rajk as the “Plenipotentiary Executive Officer in Charge of Evacuation,” but neither of them had any tangible influence on the events. Teleki 1974, 182–183.
- 330 Report entitled *Az iparügyi minisztérium működése 1945. január havában* (The operations of the Ministry of the Industry in January 1945). BFL Sztójay Case. File of Minister of the Industry Emil Szakváry. 968/1946, 715.
- 331 Becher’s testimony. Budapest, December 11, 1945. MOL 16/001124/1-3/1963, box 18. Interestingly, Becher was interrogated in connection with the investigation into the ‘Ferenc Chorin and Associates’ affair. The Hungarian Communist leadership continued to try to put pressure on Chorin and his family in New York even later on.
- 332 *Ibid.*
- 333 Becher’s testimonies. Budapest, November 14–December 11, 1945. MOL 16/001124/1-3/1963, box 18.
- 334 Gyula Szilvay collected the documents relating to the Hungarian evacuation both during and after the war. Szilvay’s thoroughly documented memoirs (two volumes in six parts) are located in IZ Fb. 109 I–II. (Hereafter: Szilvay)
- 335 Szilvay IV. 58.
- 336 Gábor Vajna, *Zsidókérdés* (Jewish Question). BFL Szálasi Case. 293/1946 roll 136, appendix 12.
- 337 Pintér, and Szabó 1962, 202–203.
- 338 Rajk’s report. January 20, 1945. NACP, RG 242 Seized Foreign Records Collection, Hungary. Political and Military Records. T 973, roll 121, 14–17.
- 339 Indictment. BFL Szálasi Case 293/1946, roll 134.
- 340 Machinery, vehicles, semi-finished and finished goods, raw materials, food, drugs, livestock, etc. Szilvay II./26.
- 341 See in detail *ibid.*
- 342 *Memorandum on the Evacuation of Hungarian Assets*. March 12, 1946. MOL KÜM Béke-előkészítő (Ministry of Foreign Affairs, Division for the Preparation of Peace), roll 12.415, title 17, 220.
- 343 *Memorandum on the Evacuation of Hungarian Assets*. February 23, 1946. MOL KÜM Béke-előkészítő (Ministry of Foreign Affairs, Division for the Preparation of Peace), roll 12.415, title 17, 216.
- 344 *Ibid.*
- 345 *Memorandum on the Evacuation of Hungarian Assets*. March 11, 1946. MOL KÜM Béke-előkészítő (Ministry of Foreign Affairs, Division for the Preparation of Peace), roll 12.415, title 17, 217.

- 346 *Memorandum on the Evacuation of Hungarian Assets*. February 23, 1946. MOL KÜM Béke-előkészítő (Ministry of Foreign Affairs, Division for the Preparation of Peace), roll 12.415, title 17, 216.
- 347 Ibid.
- 348 Ibid.
- 349 Szilvay II. 26. On the evacuation of the Weiss Manfréd concern see also the Letter from Weiss Manfréd Steel and Metal Works Limited. June 10, 1948. MOL XXIX-L-2-r roll 45.
- 350 Kasztner Report I. 114.
- 351 Mór Lóránt's testimony in the "Rezső Kasztner and associates case." July 26, 1946. TH V-129.355/a; Biss 1975, 90. (Prosecution and investigation was started into the Kasztner affair after the war in Hungary, but it never got to court in the end.)
- 352 Kasztner Report II. 74.
- 353 Memorandum. December 7, 1945. CZA S26/1190/alef-bet.
- 354 Mór Lóránt's testimony in the "Rezső Kasztner and Associates case." July 26, 1946. TH V-129 355/a.
- 355 Biss 1975, 137–138.
- 356 Kasztner Report I. 136.
- 357 See notes 143–144. Gyula Link, an Orthodox Rabbi, gave Becher 100,000 Swiss francs (nearly 25,000 dollars) in the hope that it would buy his escape. But in the end he did not get on the Kasztner Train. At the end of August he and Fülöp Freudiger fled to Rumania. Link's letter is quoted by Szilvay II. 54.
- 358 Pintér, and Szabó 1962, 172–175.
- 359 Kasztner Report I. 136.
- 360 Kasztner Report I. 144. All this was not true, of course. See above.
- 361 Szilvay II. 37.
- 362 Ibid.
- 363 Report of arrest. May 18, 1945. Alford Collection.
- 364 Mosche Schweiger's report. October 21, 1945. MOL XXXIII-4-a-22/1945-47, box 3.
- 365 Ibid.
- 366 R. L. Slater's testimony. May 23, 1946. NACP RG 319, entry IRR, box 188 E, file XEO22250.
- 367 Major T. H. Fossieck's report. May 30, 1945. NACP RG 260, entry 113, box 114, file S 3.3002 Sa.
- 368 Bauer 1994, 240.
- 369 Major T. H. Fossieck's report. June 25, 1945. NACP RG 319, entry IRR, box 188 E, file XEO22250.
- 370 Ibid. For an itemized list of the contents of sacks numbered 1–15 see List of Kurt Becher assets at the Salzburg Branch of the Austrian National Bank. Ibid. For an itemized list of the contents of sacks numbered 16–28 see List of Kurt Becher assets at "Oberbank Salzburg." Ibid.
- 371 Reuben Resnik's letter to Colonel T. S. Paul, Restitution, Deliveries and Reparation Division. October 27, 1945. Alford Collection "B," 15.

- 372 J. A. Barr, RDRD deputy's letter to AG Exec. Officer. February 20, 1947. NACP RG 260, entry 113, box 14, file S 3.3002 Sa.
- 373 Ibid.
- 374 W. M. Treece, Property Control Branch head's letter to the Property Control Officer. March 3, 1947. Ibid.
- 375 Receipt. March 10, 1947. Ibid.
- 376 Property Register. September 8, 1945. Ibid.
- 377 Ibid.
- 378 Ibid.
- 379 Captain H. A. Mackenzie, Property Control Officer's letter to RDRD. March 14, 1947. Ibid.
- 380 Ibid.
- 381 Ibid.
- 382 Captain H. A. Mackenzie, Property Control Officer's letter to the Jewish Agency. March 19, 1947. Egon Mayer Collection, 27. Professor Egon Mayer, Director of The Graduate Center, City University of New York, Center for Jewish Studies, collected many documents concerning Becher. These he made available to the authors of this book. We wish to thank him for his assistance.
- 383 Captain D. J. Wickland, AGD Ass. Adj. Gen.'s letter to Eliezer Kaplan, JA "treasurer." March 24, 1947. NACP RG 260, entry 113, box 14, file S 3.3002 Sa.
- 384 Dagobert Arian's report to E. Kaplan. March 13, 1947. Egon Mayer Collection, 16–22.
- 385 Dagobert Arian's telegram to W. M. Treece, head of the Property Control Branch. March 12, 1947. NACP RG 260, entry 113, box 14, file S 3.3002 Sa; Dagobert Arian's letter to Dr. Chaim Pozner. March 13, 1947. Egon Mayer Collection, 23–24.
- 386 Jewish Agency European Treasury's letter to the Joint Committee. March 15, 1955. JDCA file # 532 A "Gold Train."
- 387 S. Shargo's letter to B. Z. Shendar. April 14, 1955. Accounting Letter # 7301-SS JDCA file # 532 A "Gold Train."
- 388 Rezső Kasztner's letter to State Secretary György Kemény. October 26, 1947. MOL XXIX-L-2-r fascicle 73/36-40-13.
- 389 Rezső Kasztner's letter to Chaim Posner. April 30, 1947. Egon Mayer Collection, 33.
- 390 M. W. Beckelman's letter to Joseph J. Schwartz. November 7, 1950. JDCA file # 532 A "Gold Train."
- 391 Kurt Wehle's letter to J. J. Jacobson. November 29, 1950. Ibid.
- 392 CZA S25/10.719. Quoted by Le Bor 1997, 312–313.
- 393 Major T. H. Fossieck's report. May 30, 1945. NACP RG 260, entry 113, box 114, file S 3.3002 Sa.
- 394 H. B. Sims, R. L. Slater and T. H. Fossieck's testimony. NACP RG 319, entry IRR, box 188 E, file XEO22250.
- 395 Mosche Schweiger's report. October 21, 1945. MOL XXXIII-4-a-22/1945-47 box 3.

- 396 R. L. Slater's testimony. May 23, 1946. NACP RG 319, entry IRR, box 188 E, file XEO22250.
- 397 Kasztner Report II. 31.
- 398 Ibid. 34–36; Interview with Roswell D. McClelland, Oral History Department, Institute of Contemporary Jewry, Hebrew University of Jerusalem, July 13, 1967.
- 399 Kasztner Report II. 32.
- 400 Ibid. 38. Kasztner added that Becher's "main task was to get medication for Himmler's kidney disease." It is hardly likely that one of the most powerful men of the Nazi Reich needed to get medication in this way, when his country had rather close economic ties anyway with Switzerland.
- 401 Telegram 7565 from the U.S. delegate to Bern to the Secretary of State on the state of the talks with Saly Mayer. November 16, 1944. Mendelsohn 1982, vol. 16, 173–177.
- 402 Becher's letter to Chaim Posner. May 30, 1948. Egon Mayer Collection, 42–43.
- 403 Herbert Kettlitz's testimony. June 3, 1948. Egon Mayer Collection, 44.
- 404 November 30, December 4, January 31, February 11. Kasztner Report II. 68.–108.
- 405 NACP RG 226, COI/OSS Files, box 612; Bauer 1994, 239.
- 406 Becher's testimony. Budapest, December 11, 1945. MOL 16/001124/1-3/1963 box 18.
- 407 Dr. Rezső Kasztner: Der Bericht des jüdischen Rettungskomitees aus Budapest 1942–1945. CZA S26/1489. 181.
- 408 For the story see Müller-Tupath 1999, 178.
- 409 Ibid. 223.
- 410 On the Swiss financial tricks of the Nazis see Zabłudoff 2001, 130–138.
- 411 Müller-Tupath 1999, 178–179.
- 412 Pintér, and Szabó 1962, 185–186.
- 413 Müller-Tupath 1999, 188, 207.
- 414 Ibid. 204.
- 415 Ibid. 204–207.
- 416 Bauer 1977, 44.

The Story of the Hungarian Jewish Gold Train

I. ASSEMBLING THE CONTENTS OF THE GOLD TRAIN

As it was mentioned in Part I, in the middle of April the collaborating Hungarian government under Prime Minister Döme Sztójay issued decree 1600/1944, ordering the freezing by the state of most Jewish-owned assets. At the same time as ordering the commencement of the deportation of a large number of Jews from the countryside in the summer, the government issued an order for the concentration of larger valuables confiscated from Jewish citizens. Decree 147.310/1944 VI of Minister of Finance Lajos Reményi-Schneller on May 15, declared: “Any precious metal objects, precious stones, works of art and fine carpets deposited in a special warehouse at the headquarters of the Financial Directorate must be taken to Budapest without delay.”¹

By late September–early October 1944 the assets of several Jewish communities of the countryside (not just particularly valuable objects) arrived in Budapest. It was decided even before the Arrow Cross takeover of October 15 to concentrate in one place a certain portion of moveable Jewish property before transporting it to Western parts of the country. The first train loaded with Jewish assets left Budapest on October 14 and arrived at Zirc in Western Hungary on October 16.² It took three days to unload and carry the contents of the train to Count Tattenbach’s Óbánya chateau, a few kilometers from the Zirc train station.

In the meantime, the concentration of the remainder of Jewish assets in Budapest continued. In line with the Government Commissioner’s decree 8306/1944 issued at the beginning of November by Albert Turvölgyi, head of the Government Commissioner’s Office for Handling the Material and Financial Affairs of the Jews, Budapest banks one after the other started to release their Jewish deposits.³ The Government Commissioner’s Office also received a very large volume of assets from the

warehouses of the Postal Savings Bank, a financial institution chosen to handle Jewish property.⁴ All assets thus collected were taken to the Óbánya chateau.

In November, more trains carrying Jewish property arrived at Óbánya from the Hungarian capital,⁵ and probably from other parts of the country as well. Property from various communities and individuals was collected by the Government Commissioner's Office and added to the train's load. One of the most important cases was that of a Budapest lawyer, Dr. Ernő Keleti. In April 1944 he registered and deposited a part of his property pursuant to the already mentioned Prime Minister's decree 1600/1944.⁶ However, he had hidden the majority of his valuables in a large hole in the wall of his apartment. Somebody from the house reported him to State Security Surveillance under Péter Hain.⁷ On May 8, 1944 two detectives (Béla Tövisi and István Fogarasy) performed a house search in Keleti's apartment and found the hiding place with Keleti's and his girlfriend's valuables in it. The group of assets consisted of significant quantity of gold jewels and objects (e.g. gold chains, bracelets, rings, clips, weighing approximately 60 kilograms in all; an egg-shaped item made of 22-carat gold with the picture and signature of Emperor Franz Joseph, weighing 1000 grams), jewels with precious stones (e. g. a 22–23 carat diamond ring with white gold setting; an 11-carat diamond ring set with two small diamonds of 7–8 carats each; a tiara set with several diamonds, total 90 carats; a ring with five diamonds, total 4 to 4 1/2 carats) a large quantity of gold coins and 25 kilograms of gold bars marked Scheid G. A.⁸ In the next few days, the detectives returned to the apartment and searched the second floor as well. They succeeded in finding other valuables, such as gold bullion (weighing approximately 10 kilograms), gold coins (3000–4000 pieces of Napoleon) and gold jewels (several kilograms of gold rings and chains).⁹ The "treasure" was so significant that it even drew the attention of Péter Hain himself.¹⁰ The extreme right-wing newspaper *Magyar Futár* published a photo-illustrated propaganda article on the case.¹¹ Keleti and his girlfriend were taken to the internment camp on Rökk Szilárd street, then they were deported to Auschwitz-Birkenau.¹² The attorney did not return. The suitcases containing their property were taken to the Svábhegy headquarters of State Security Surveillance and the objects were handed over to the Government Commissioner's Office. The same financial officer took the inventory who, in accordance with Turvölgyi's orders, had collected the property of Jews deposited in several financial institutions in November.¹³ The

Keleti valuables were taken to the central consignment warehouse of the Postal Savings Bank on Lónyay street, where a huge quantity of confiscated Jewish property came to be heaped up until the fall.¹⁴ This was one of the warehouses where in early October the freight of the Gold Train began to be collected.¹⁵ From here, as we have mentioned, the assets were transported to Óbánya.

Árpád Toldy, the head of Department XI of the Ministry of the Interior, came to Óbánya himself as the commander of the trains appointed by the Arrow Cross.¹⁶ As it was mentioned, in November the Arrow Cross government decided to remove Turvölgyi's Government Commissioner's Office from the organization of the Ministry of Finance, and to integrate it instead into Department XI of the Ministry of the Interior, Turvölgyi himself was made State Secretary in the Ministry of Finance. Thus in the rather chaotic organization of the Arrow Cross government, the transport was overseen by Gábor Vajna, the Hungarian Minister of the Interior, with Árpád Toldy exercising direct command over it. The structural changes were necessary because Ferenc Szálasi, the new Arrow Cross "National Leader" (acting as the head of state and head of government at the same time) decided to delegate all Jewish matters to Vajna, former Jewish "expert" of the Arrow Cross Party, who became Minister of the Interior.¹⁷ Upon seeing what chaos surrounded the management of confiscated Jewish assets, Vajna asked Minister of Finance Lajos Reményi-Schneller to permit the temporary participation of Turvölgyi and some of his experts during the early stages of integrating the Government Commissioner's Office. Reményi accepted the arguments of the Minister of the Interior and consented to everything.¹⁸

Toldy, originally a Colonel of the Hungarian gendarmerie, became the Prefect of Fejér County in May 1944 as part of a wave of appointments by the Minister of the Interior. New appointments by the collaborating Hungarian government were meant to ensure that officials loyal to the new cabinet would replace Prefects who resigned voluntarily or under duress in the aftermath of Hungary's German occupation.¹⁹ The retired Colonel of the gendarmerie, also a good friend of László Baký, the Sztójay government's new State Secretary of the Ministry of the Interior,²⁰ said in his inauguration speech that his main objective was to pursue an anti-Jewish policy.²¹ According to the unanimous testimony of survivors and former county officials alike, Toldy enthusiastically and actively participated in the setting up of the Székesfehérvár ghetto and the deportations, demonstrating great venom and brutality in the process.²²

In November 1944 Toldy became the head of Department XI of the Ministry of the Interior, and consequently the head of the Government Commissioner's Office at the same time. In this capacity he traveled to Óbánya. Immediately upon his arrival, Toldy ordered the assortment of valuables into the following categories:

1. precious stones and jewels set with precious stones
2. pure gold objects without any precious or semi-precious stone setting
3. gold jewels set with precious or semi-precious stones
4. gold coins and gold bullion
5. gold watches
6. silver objects and jewelry
7. silver and metal watches
8. textiles and clothing
9. fur, carpets, etc.²³

Toldy ordered most of the Financial Directorate's inventory lists to be burnt, so ownership records were mostly destroyed.²⁴ Sorting in Óbánya continued until December 7, when Toldy ordered the assets to be sent to the country's western borders. The order was carried out in several stages, but all assets arrived at Brennbergbánya, a cross-border town, by the beginning of January 1945.²⁵ Other trains carrying Jewish assets kept arriving at Brennbergbánya from all over Hungary.²⁶ Particularly valuable items from these trains were sorted in the same way as they were in Óbánya, that is, making sure that as a rule the original proprietor could not be determined once the sorting was over. But not all documents were destroyed, and U.S. authorities later discovered numerous lists and envelopes inside these trains (see later).

Particularly valuable items filled 105 cases and 2 iron caskets altogether.²⁷ Their contents were not properly inventoried, but merely recorded on a rough list.²⁸ Objects of lesser intrinsic value than the particularly valuable precious stones and gold objects were reloaded on the train.²⁹

Concerned by news about the advancement of Soviet troops, Toldy's staff suggested to their commander to hide the valuables in an abandoned mine shaft and to blow up the shaft walls in order to bury them. This way the cargo would be guaranteed to stay in Hungary, and only the effective government at any time could recover it, as it would require considerable time and effort to bring the cases to the surface.³⁰ But Toldy had other plans: he wanted to take the assets abroad.

The shortage of locomotives was the greatest problem. Even though Vajna ordered Toldy to start the transport immediately, the train could not set off without a locomotive to pull it. Toldy and Vajna tried to urge the Central Transportation Management to do something, but for days nothing happened. The Germans were the cause of this inexplicable delay. On March 28 Toldy reported to Vajna that he still did not have a locomotive, but that German Ambassador Veessenmayer had been contacted by a representative of Omnipol GmbH, a German company, who said that he was willing to take the train to Germany in return for 5–10 percent of its contents.³¹ The offer of Omnipol, a company with links to SS Lieutenant-Colonel Kurt Becher sounded like a threat, given that Becher was both Himmler's envoy on economic affairs and one of the most influential German officials in charge of Hungary's evacuation. Following Vajna's instructions, Toldy did make an agreement with the Omnipol representative after some bargaining (we have no information that according to the deal about what percentage of the cargo would have gone to Omnipol), which the Hungarian Minister of the Interior later decided to ignore completely. Naively enough, Vajna thought that he could have the agreement annulled with Himmler's assistance.³²

Still on March 28, Toldy signed an agreement which most probably had nothing to do with the Becher-agreement.³³ It was signed on the one hand by Toldy as head of Department XI of the Hungarian Ministry of the Interior and Government Commissioner of the confiscated Jewish assets (which by this time had been "nationalized" in the "legal sense of the word" as well pursuant to Prime Minister's decree 3840/1944 issued in November), and on the other hand by Boden, the German commissioner for economic affairs. In this agreement the German authorities agreed to permit, guarantee, and support the transportation to stay in, and eventual return from Germany of "assets in Hungarian state ownership." Section 2 of the agreement stated that the fact of their being transported to Germany would not change the ownership status of the assets. But the agreement soon became meaningless in practice, since by March 1945 the distribution of German–Hungarian spheres of authority regarding the evacuation, chaotic in the beginning, became absolutely incoherent: the extortion of decisions started to depend on the momentary status of the local military situation rather than on agreements of any kind.

Toldy immediately ordered the sorting to stop and gave instructions for the train and its crew to get ready for departure, designating Hallein as their destination.³⁴ On March 28 or 29 a railway wagon from the Szom-

bathely Financial Directorate arrived, carrying the assets of local Jewish residents. There was no time left to sort this cargo, so it was simply added in its unsorted state to the train now ready for departure.³⁵ The wagon from Szombathely was the last one to be received, and the contents of the Gold Train were now complete. But before we move on, let's take a brief detour to see where these assets had originated from.

The contents of the Gold Train assets came from all over Hungary, including territories annexed from Hungary in 1920 but returned to it in 1938–1941, such as the Upper Province, Carpatho-Ruthenia, Northern Transylvania including the Székely lands and the Southern Province. As has been mentioned earlier, the concentration of these valuables had already started in May 1944. This is how Jewish assets held by some Financial Directorates on the territory of Greater Hungary partly³⁶ or fully³⁷ ended up in Budapest, even though—when it was decided in October 1944 to evacuate Jewish assets to the West of Hungary—some territories beyond the borders of Trianon Hungary (the Székely lands, Northern Transylvania, and the Southern Province) had already fallen under Soviet occupation, while military operations were still going on in other places (the Upper Province and Carpatho-Ruthenia). An unknown quantity of the assets brought to Budapest ended up on the Gold Train, but many assets coming from territories beyond the borders of today's Hungary (including 2,000 carpets and dozens of paintings) were not included in its cargo.³⁸

Many of the items left behind were either destroyed during the fighting on the streets of Budapest or were taken away by the Soviet soldiers marching in. Assets originating from Carpatho-Ruthenia that were stranded in Budapest and survived the siege intact were taken away by the Soviet authorities after the end of the war.³⁹ What is more, the Soviets made a claim for 5.6 million pengős in July 1947 (at the 1944 exchange rate), which—according to documentary evidence—“originated from the liquidation of Jewish property on the territory of the USSR beyond the Carpathian Mountains (*sic!*).”⁴⁰ In all probability this document referred to cash confiscated from the Jewish population of Carpatho-Ruthenia, as well as revenue from the sale of their commodities and other moveables, which in 1944 (as it has already been mentioned) had to be paid into a designated bank account of the Postal Savings Bank. As they had no choice, the Hungarian authorities did not dispute the lawfulness of the Russian claim, and in all likelihood did pay up, thereby discharging their reparation obligation.

According to the most recent research, the Gold Train did carry some Jewish assets originating from beyond the borders of Trianon Hungary as well, but available documentation⁴¹ also makes it likely that these accounted for only a relatively small part of the train's contents. The total value of Jewish assets on the Gold Train equaled 6.5–13 million dollars (at the 1944–1945 exchange rate).⁴²

On March 29, 1945 Toldy distributed among his senior staff the originally Jewish-owned foreign currency. Then 54 of the 105 valuables cases and two caskets (containing particularly valuable items) were loaded onto trucks, including some cases containing jewelry.⁴³ The trucks set off in the direction of Austria under Toldy's command early in the morning of March 30, whereas the train carrying 53 cases of valuables⁴⁴ stayed in Brennbergbánya.⁴⁵ On the day before his departure, Toldy appointed László Avar, former Mayor of Zenta, to be the commander of the train.⁴⁶ Thus the cargo was broken up, one part being taken by the convoy of trucks to the west under Toldy's command, the other part leaving the country on the train under Avar's command. From this point on, the fate of the two valuables transports also took a different path.

2. THE TRAIN'S JOURNEY

At 11 a.m. on March 30 the much-awaited locomotive finally arrived at Brennbergbánya. It was allotted to the train (probably under German pressure) by the office in charge of war industry. This locomotive also brought in Vilmos Hellebronth, the Arrow Cross Minister of Production without portfolio, Staff-Colonel Count Markovits, and First Lieutenant Csillagi (sometimes spelled as Csillaghy).⁴⁷ Toldy gave orders that room should be found for them on the train.⁴⁸

But by noon on March 30, just a few hours before departure, the situation was chaotic. As Russian troops were drawing ever closer, some of the local civilian population attempted to board the train. At the same time, some drunken Arrow Cross servicemen tried to appropriate certain cases of valuables. Avar finally managed to dissuade them by offering them bribe money and making threats, and in the late afternoon—with Russian units now only a few kilometers away—the train comprising 46 wagons⁴⁹ finally set off to Hallein.⁵⁰ Some wagons contained not only confiscated Jewish assets and family members of the train crew and their belongings, but also the assets of a number of non-Jewish Hungarians

(three families and five single men), who were admitted on the train by Toldy's special written permission.⁵¹

The train crossed the border between Hungary and the Third Reich at Ágfalva on the same day, and arrived at Wienerneustadt.⁵² The next day it moved on, and on April 1 arrived in Wilhelmsburg an der Traise. Here a passenger wagon which had broken down was detached from the train, and its passengers got into another wagon.⁵³ Austrian railway workers held up the train at Wilhelmsburg for some time, in response to which the train's driver unhooked the locomotive without asking for Avar's permission to do so, and left the rest of the train behind. Thus by the time permission arrived to the commander of the train to roll on, the train could not be set in motion.⁵⁴ Bribing the Austrian railway men by giving them some rum and some watches, Avar finally managed to get hold of another locomotive. On April 6 the train had reached St. Pölten, where it was side-tracked and had to spend the night at Wiesenbach.⁵⁵ Here some SS soldiers tried to disarm the guards, but a local Austrian law-enforcement unit managed to foil the attempt. On April 7 after reaching Amstetten the train arrived in Salzburg, and then in Hopfgarten on April 8.⁵⁶

At Hopfgarten the train halted for a relatively long time, then Toldy's order of April 10 arrived, telling Avar to order all passengers to disembark from the train, including both those brought to Brennbergbánya on the locomotive and the guards, and to garrison them in Hopfgarten.⁵⁷ Avar refused to carry out the order, because he interpreted Toldy's instructions as a sign that his superior was trying to remove him and others from the train.⁵⁸

On April 13 Toldy and his entourage arrived. Having collected his personal belongings from the train, Toldy left the train on April 15. Upon taking his leave, Toldy said he was going to Landeck ahead of the others to make arrangements for the train's reception there.⁵⁹ Then Avar, who—not unfoundedly—was becoming increasingly convinced that Toldy had other intentions at heart than safeguarding the assets entrusted to him, drew up several protocols to serve as evidence of his commander's dubious actions.⁶⁰

But little did Avar know that by this time Toldy was not the greatest threat to the cargo. On April 17 István Mészáros, Colonel of the Guards and Commander of the Hungarian Royal Guard, visited Gábor Vajna, the Arrow Cross Minister of the Interior, carrying a carefully worded and previously typed-up letter. The dumbfounded Minister read in this letter, written under his own letterhead and classified "Very Confidential" on the

"Subject: Allocation of precious metals and fuel," the following message addressed to "Dr. Árpád Toldy, retired Colonel of the gendarmerie, and Government Commissioner: Headquarters, April 17, 1945. For foreseeable reasons of security and in view of the gravest military and political situation, I hereby order you to promptly hand over against a receipt to István Mészáros, Colonel of the Guards and commander of the Hungarian Royal Guard, 200 x 20 Swiss francs in gold and the same amount of Napoleon gold coins from the national assets entrusted to your care." The rest of the letter instructed its recipient that this sum was later to be paid into a secret fund, and that the letter was to be immediately destroyed once received, and the whole affair "must be treated with the greatest confidentiality." Moreover, Toldy was supposed to hand over 400 liters of petrol to Mészáros as well. Outraged at this obviously self-interested attempt to steal "national property," Vajna refused to sign the letter; instead, he drew a single stroke of his pen across the letter, and added the following in large letters at the bottom: "NO! Colonel Mészáros typed this letter up and attempted to get me to sign it. Vajna." Then the outraged Minister threw his uninvited guest out.⁶¹

On April 22 Ensign Gyula Galambos suddenly turned up at the Gold Train. At this stage of the war he happened to be serving with the military police in Vienna, and it was here that a truck carrying valuables from Brennberghánya arrived after it had lost contact with the Toldy convoy during an air raid. Galambos's commander, Brigadier General Olchvári, thereupon instructed him to escort back the lost truck to the Toldy convoy in Hallein. Galambos set off from Vienna on April 1.⁶² On the road he was repeatedly stopped and detained by various German and Arrow Cross authorities, yet somehow he always managed to get away and struggle on.⁶³ After vicissitudes lasting for three weeks Galambos ran out of fuel, and to make matters worse could find no trace of Toldy.⁶⁴ Finally he decided to make his way on foot to the train stranded in Hopfgarten. Avar gave Galambos some petrol from the fuel supplies on the train and advised him, contrary to his orders, to stop looking for Toldy and instead to bring the valuables in his care to the train.⁶⁵ Galambos agreed to do so and set off with the fuel.

The next day (on April 23) János Balogh, Captain of the Hungarian gendarmerie, one of Toldy's confidants, turned up carrying a letter from his commander, in which Toldy instructed Avar to hand over to the Captain ten cases of valuables.⁶⁶ Avar was cautious, and held the cases back for the time being.

The following day (April 24) Galambos turned up in a car, which was accompanied by a truck.⁶⁷ Avar—who was by this time certain that Toldy simply wanted to steal the cargo—used this opportunity and started to unload the valuables from the truck and load them onto the train. After lengthy quarreling, Avar and Balogh finally made a compromise: 11 cases⁶⁸ and 2 caskets with selected cut diamonds were loaded onto the train. Balogh took to Toldy's St. Anton residence 17 cases⁶⁹ from the truck and 3 cases⁷⁰ from the train.⁷¹ Three days later (April 27) he was back, and following yet another argument, presented Toldy's written order,⁷² and took away the two caskets of cut diamonds as well.⁷³ Avar withheld from one of the caskets a sachet filled with precious stones, adding it to the contents of the portable cash box he was carrying.⁷⁴

So originally the train included 53 cases of valuables. To this were later added 11 cases (64) and 2 caskets (66), but there were also removed first three cases (63) on April 24, then two caskets on April 27. So finally the train carried 61 cases loaded with valuables.

At this point Avar decided it was high time he determined what should be done with the train. He attempted to find a high-ranking Hungarian government official among those who had fled to nearby locations, and who would be willing to take away from Toldy the responsibility for the train. He even met Béla Imrédy, former Prime Minister and Minister of the Economy of the Sztójay government at nearby Kitzbüchel, but Imrédy said he was staying there strictly as a private individual. Arrow Cross Minister of Finance Lajos Reményi-Schneller, who was staying at the Kitzbüchel Grand Hotel, also refused to help Avar.⁷⁵

But by the beginning of May everything had changed: now Avar's main problem was that several fleeing Arrow Cross government officials were attempting to seize control of the train. On May 1 Ferenc Vajta, former Arrow Cross Consul-General in Vienna, appeared at the train and demanded the valuables to be given to him, claiming that he had authorization from the Minister of Foreign Affairs and the Minister of Finance. Avar first threatened Vajta that he would resist by force, but later agreed to accompany him to Kitzbüchel, but when Reményi-Schneller refused even to talk to Vajta,⁷⁶ Avar interpreted this as the end of Vajta's "initiative." The next day István Csomay, the former Prefect of Zala county, turned up at the train and presented an order of April 30 from Minister of the Interior Gábor Vajna, according to which Vajna withdrew Toldy's powers to control the "national assets" and gave them to Csomay instead.⁷⁷ Once again Avar refused to hand over either the valuables or command over them.⁷⁸

All this was a reflection of the in-fighting among high-ranking Arrow Cross officials, who were all keen to get hold of the treasure. On April 28, 1945 one of them (Jenő Gál) made a report on Toldy to Vajna, claiming that "with the exception of 200,000 pengős, he has taken all the foreign currency with him and left for an unknown destination."⁷⁹ After reading the report Vajna ordered an investigation into the Gold Train affair, and appointed Csomay to personally look into the situation surrounding the train.⁸⁰ Avar—very bravely—refused to cooperate with the representative of the same Minister of the Interior, who was also getting suspicious of Toldy.

The next day, too, was eventful. In the evening three SS soldiers came to find Avar and to question him about the cargo of the train. However, the interrogation turned into more of a friendly drinking session, at the end of which the Germans got drunk, and Avar parted from his captors by agreeing to continue the conversation the day after.⁸¹

The train guards were aware that they ought to flee from the scene very soon. The next day they started to make preparations for departure, only to find out that the air brakes of four wagons (MÁV 123.559, 220.551, 213.613 and 113.513) had broken down. The four wagons were disconnected, and their cargo was re-loaded into other wagons.⁸² (Apart from these four wagons, two others were also left in Hopfgarten.)⁸³ Rumor started spreading that Waffen-SS units staying nearby would soon attack the train. Avar contacted the commander of the German unit headquartered nearby, and started talks with him. Avar was playing for time, because he had been informed by Austrian railway workers that the long-awaited locomotive was likely to arrive at any time. Finally, around 7.45 p.m. the train was able to leave Hopfgarten, pulled by the newly arrived locomotive. The appetite of the SS units was satiated with 500 mostly useless watches. The train next stopped in Schwarzach St. Veit, then in nearby Böckstein.

On May 5 some members of the police force and a few financial officers decided to get off the train in Böckstein. Avar did not try to stop them, saying that "he needed only men who were ready to fulfill his orders and to stick by him to accompany the cargo."⁸⁴

In the Böckstein area Avar tried to contact representatives of the Red Cross, and through them the advancing U.S. troops. For the first couple of days his attempts were not crowned with success.

Between 12 a.m. and 13 p.m. on May 10 two dozen German soldiers tore off the leaden lock on one of the railway wagons (MÁV 147.137), but

thanks to the firm reaction of the armed train guards, the looters retreated from the scene.⁸⁵

On May 11 one of Avar's men, Dr. Tibor Touttenoui, managed to meet with an American Major at the Hotel Kaiser Hof in Bad Gastein.⁸⁶ Around noon on the same day an officer of the U.S. army took the train under his command,⁸⁷ ending the first phase in the history of the Gold Train. Over the previous few months Hungarian financial officials had done everything they could to make sure that the property seized from its Jewish owners and declared "national assets" did not come to any harm during the war. Their bravery prevented the looting of the Gold Train by fleeing functionaries of the Arrow Cross regime or German SS units turning up on the scene from time to time. So on May 11, 1945 the U.S. army found the train practically intact.

Still on the same day, the early afternoon of May 11, a military committee made a cursory inspection of the contents of two railway wagons and ascertained that the train was indeed carrying valuables.⁸⁸ Another inspection was made on the following day,⁸⁹ and once again on May 14.⁹⁰ On May 14 guards found the leaden lock on several wagons torn off, and suspected that Austrian civilians were behind the act. (The minutes of the incident laconically conclude that the perpetrators took away some "valuables."⁹¹)

On May 16 the train was towed to Werfen.⁹² From July 19 onwards U.S. and Hungarian guards exercised joint control over the train, supremacy lying with the U.S., of course.⁹³

On May 27–28 new attempts to break into the train were discovered. This time the guards were unable to ascertain whether anything had been taken.⁹⁴ Upon Avar's request, U.S. command gave permission to have the train towed to an open area of the tracks, where it was much easier to keep an eye on it than when it was left standing next to a stone wall at the railway station.⁹⁵

On July 19 the Americans ordered the Hungarians to leave the train, and took them to Pongau (probably in the passenger carriages attached to the train).⁹⁶ By this time only 38 wagons were left of the original 46 of the Gold Train, of which 14 were passenger carriages, and 24 wagons carried valuables. The U.S. army took the latter to Salzburg, together with the valuables.⁹⁷

This is how 61 cases of valuables,⁹⁸ the train's entire currency stock,⁹⁹ 1,560 cases filled with silver objects, one case filled with pure silver, 3,000 Hungarian and oriental knotted carpets, 100 paintings, a number of wag-

ons carrying items of smaller intrinsic value, a quantity of unassorted valuables sent by the Financial Directorate of Szombathely, several thousand furs, and valuables loaded onto the train by non-Jewish Hungarians with Toldy's special permission, all came under U.S. army control.¹⁰⁰

In all likelihood the 100 paintings came partly from the collection of the gallery of the Győr City Museum, and were partly the property of Jews living in Győr. Avar and Mingovits wrote in their August 2 report that the train was carrying some valuable items from the Győr City Museum.¹⁰¹ The inventory of the train's cargo, which was drawn up on April 1, 1945, also mentions the paintings.¹⁰² There is, however, some unclearness about the precise number of these works of art. Avar and his people consistently refer to nearly 100 paintings, but this number is different from the figure quoted in the restitution documentation of the Center of Financial Institutions on paintings taken to the West during the Second World War.¹⁰³ The latter mentions 77 paintings evacuated to the West from the Győr City Museum at the end of the war. At the same time, an official of the Győr City Museum claims that no more than 4 oil paintings, 8 watercolors, 14 copper engravings and 3 etchings (i.e. 29 works of art in total) were taken to the West.¹⁰⁴ These were packed and taken to Sopron on instructions from dr. Árpád Karsay, the Mayor of Győr. In Sopron, the paintings were given to dr. Sándor Ercse. Ercse's involvement makes it obvious that the treasure did end up on the Gold Train. According to an itemized list, also drawn up by museum officials, in 1945 a total of 79 paintings, etchings, copper engravings and graphics, furthermore 3 city magistrate's maces, 1 casket of coins and an unknown quantity of photographs of Győr from the collection of the Győr Museum were evacuated to the West.¹⁰⁵

The overall situation is further complicated by the fact that out of the 3,165 paintings and 120 etchings and water colors¹⁰⁶ collected from Jews living in Győr by the Government Commissioner's Office for the Registration and Preservation of the Confiscated Works of Art of the Jews, nearly 1,000 were packed in 25 cases and taken to Brennbergbánya in January 1945, where they were deposited in an abandoned mine shaft.¹⁰⁷ According to our assumption not only the aforementioned works of art taken from the museum, but also a number of valuable paintings confiscated from Jews living in Győr may have ended up on the train. This is how the number of pictures (whether 29, 77, or even 79) could rise up to one hundred.

In addition, the U.S. army took possession of the following: wagons

filled with less valuable items, a set of unsorted valuables delivered by the Szombathely Financial Directorate, several thousand items of fur, and valuables transported on the train by non-Jewish Hungarians with Toldy's special permission.

3. THE TRUCKS AND TOLDY'S JOURNEY

The convoy comprising both passenger cars and trucks left Hungary on March 30, 1945. Toldy and his people crossed the German (Austrian)–Hungarian border at noon, only to be caught up in a mine fire almost straight away, so that the convoy was broken up into two parts.¹⁰⁸ The first part reached Hallein on April 2, 1945,¹⁰⁹ Toldy (whose sight was lost in the attack) caught up with it on April 3 or 4 and took command of the convoy again. One truck transporting valuables arrived even later, on April 5.¹¹⁰ Another truck reached the environs of Vienna under the circumstances already described, and then with Galambos's assistance made its way to the train in Hopfgarten.

In Hallein Toldy distributed valuables to some of his escorts for personal safekeeping and “disposal in an extreme case of emergency.” So, for instance, Sándor Ercse received 250 gold coins and 2 kilograms of gold bars.¹¹¹ (Later on we will come back to what happened to the assets entrusted to Ercse's care.)

Toldy and his entourage stayed in Hopfgarten between April 13–15, then moved on to St. Anton. They were joined by Balogh from the train, who was carrying some cases that he picked up from the Galambos trucks (see above). Toldy planned to escape to Switzerland with the treasure.¹¹² In the last week of April 1945 in St. Anton, the gendarme Colonel and Government Commissioner held 44 cases and two iron casks filled with precious stones.¹¹³

At the end of April one of the two trucks broke down, so some of the cases had to be hidden near St. Anton.¹¹⁴ Nine cases were buried on a small hill facing a chapel on the outskirts of Filsch, a little town between Landeck and St. Anton. Five cases were taken to Toldy's residence in St. Anton, and eight were deposited in the shed of a local retired railway worker.¹¹⁵

Toldy and his entourage departed on April 28 or 29 to Switzerland with 22 cases and 2 iron caskets. Around this time Toldy came into contact with Friedrich and Karl Herman Westen, a pair of brothers with a

dubious background, who introduced themselves to him as businessmen. The brothers offered to get Toldy and the valuables to Switzerland in return for a modest cut.¹¹⁶ The deal was made on the eve of April 29–30 at the Hotel Post in Feldkirchen. Still before dawn, Toldy turned over 6 cases to the Germans.¹¹⁷ Then under obscure circumstances the brothers Westen disappeared with the cases, and the planned crossover to Switzerland came to nothing. Finally, Toldy and his people were reduced to hiding the remaining cases in the furnaces of a brick factory situated on the road from Feldkirchen to Lustenau.¹¹⁸

At this point the Government Commissioner and his entourage went all in different directions and tried to disappear from sight. Toldy and his family retreated to Dornbim directly on the Swiss border.¹¹⁹ In July 1945 western Austria and its center in Innsbruck fell under French control. The presence of Hungarian treasure buried in the neighborhood could not stay a secret for long, and Toldy was arrested in August.¹²⁰ Meanwhile the U.S. army simply seized possession of the Gold Train, whereby the entire train and its cargo passed into their hands, while the French authorities had to conduct a lengthy investigation to bring together the scattered valuables originating from the Toldy convoy. Their job was made easier inasmuch as Toldy gave them a precise information of the valuables they were supposed to be looking for, but it was also made more difficult because some members of the local Austrian population had already appropriated some of the treasure.¹²¹ During 1945–1946 valuables weighing 1,597 kilograms (the greater part of the hidden treasure) were recovered from the contents of the Gold Train. In early 1947 they were taken to Paris.¹²²

The circumstances of Toldy's imprisonment are to this day unclear. It is not impossible that he bribed certain soldiers.¹²³ We do know, however, that in November he was released, moved to Innsbruck, and thereafter enjoyed the informal protection of the French authorities. It is likely that this gesture was meant to reward him for his willing assistance in the recovery of the treasure.¹²⁴ Whatever the case may be, neither Martin Himler, a Hungarian and head of the Hungarian unit at the U.S. Office of Strategic Services (OSS) in Salzburg, nor the Hungarian authorities themselves succeeded in having Toldy extradited by the French, who seemingly had bought his freedom with Jewish treasure.¹²⁵ On May 20, 1946 the former Government Commissioner and his wife left Austria as free people, and probably emigrated to Africa. By 1949 even the French authorities lost sight of them.¹²⁶ In Hungary a rumor spread that Toldy

had joined the French Foreign Legion.¹²⁷ In December 1947 the Hungarian restitution delegate to Paris regarded it as a *fait accompli* that Toldy had become a soldier in the French colonial army.¹²⁸

At the same time, the Hungarian authorities wanted to have Toldy under their own supervision. Hungarian diplomatic organizations in Vienna requested the extradition of the former Gold Train commander for the first time on March 8, 1946, both from the French Embassy in Vienna and the Allied Control Commission (ACC), which was also headquartered in the Austrian capital.¹²⁹ On May 6 Brigadier General Ljevuskin answered on the ACC's behalf that Toldy could not be sought until the ACC was told of the former Government Commissioner's exact address.¹³⁰ On August 5 the Hungarian authorities informed the ACC of Toldy's former hotel address in Innsbruck,¹³¹ yet nothing was really done to arrest the Colonel. Not only did Toldy enjoy official protection, but by this time the former Government Commissioner had already left Austria, with the consent of the French authorities. The French Embassy's answer to the Hungarian request for extradition made on May 8 arrived on December 12. The French authorities answered that the Allied High Command was the competent body to handle the extradition of war criminals.¹³²

On September 2, 1946 the Budapest People's Prosecutor's Office submitted a petition to the People's Tribunal, asking it to issue an order of arrest against Toldy on three charges of war crimes plus one charge of committing a crime against the Hungarian people.¹³³ The order of arrest was issued on September 27, 1946¹³⁴, but nothing came of it.

4. INTERNATIONAL LEGAL BACKGROUND AND PROBLEMS OF DEFINITION

Restitution was one of the main topics on the agenda of the Potsdam Conference held between July 17 and August 2, 1945. In the frameworks of the restitution-negotiations the Allies put on the agenda the question of the gold funds under their control. On August 1 Stalin expressed his indifference on the issue by waiving any potential Soviet claims for gold deposits found in Germany.¹³⁵ This gesture clearly signaled that Western powers alone would decide the future of the vast quantities of precious metal acquired by the Allies (of which the contents of the Gold Train were only a fraction), without Soviet involvement. The situation played into the hands of the Americans in every respect, because the distribution of

occupation zones was such that the greater part of the gold happened to be found almost exclusively on territories controlled by the U.S. army.¹³⁶

The Paris Reparations Conference was held between November 1945 and January 1946, with the objective of working out the criteria of reparation decided upon in Potsdam. Participants of the Conference were those countries who demanded reparations from Germany.

On November 23, 1945 a decision was made about the restitution of monetary gold in Allied hands. Ten months later this culminated in the setting up of the Tripartite Gold Commission (TGC) in September 1946. The TGC included representatives of the United States, Great Britain and France, and was responsible for restituting to individual European countries gold belonging to them and stolen by the Nazis. This was done through the so-called Gold Pool—GP.¹³⁷ Its sources were the gold reserves of banks found on German territory as well as such precious metals that the TGC succeeded in recovering from neutral countries after lengthy negotiations, stolen wealth channeled by the Nazis to these neutral countries during the war under the guise of commercial transactions. In addition, other supplies of lesser intrinsic value also ended up in the GP. The TGC used the GP to compensate countries for their losses arising from having their bank funds stolen, provided that they could present satisfactory evidence to the TGC.

In view of the circumstances of the removal and recovery of assets, the gold funds of the Hungarian National Bank (HNB) were treated differently from other precious metal pools, consequently the HNB treasure was never included in the GP, and it had been returned to Hungary in 1946–1947, that is partly still before TGC was set up. In accordance with the decision about monetary gold, only those deposits were to be included in the common pool that a) “had been wrongfully removed” by the Germans from the country in question, or b) were found by Allied troops on the territory of Germany or in a third country where such deposits had been evacuated by the Nazis during the war. As the gold treasure of the Hungarian National Bank was removed from Hungary by HNB staff and taken to Austria, where it fell under Allied control, the Conference excluded Hungarian gold from the pool, and treated it separately thereafter.¹³⁸

Among the decisions of the Conference, Part I, Article 8 of the Reparations Agreement included a resolution which fundamentally determined the fate of the contents of the Gold Train after the end of the war.

The document entitled “Allocation of a Share of Reparations to Non-

repatriable Victims of German Action" declared that the signatory countries must set up an aid fund to assist refugees in need and not eligible for help from any country with a reparation claim against Germany.¹³⁹

This fund was to be financed from the following resources:

1. non-monetary gold found by the Allies in Germany;
2. German assets found in neutral countries that are available for reparation (the exact worth of such assets was estimated at 25 million dollars);
3. assets found in neutral countries, the owners of which had died as a result of Nazi persecution and had left no heirs.

Paragraph D, points I–III defined the scope of those eligible for aid. This included refugees, who:

1. were of German and Austrian origin, had fled from their homeland, and "cannot be returned to their countries within a reasonable time because of prevailing conditions";
2. German and Austrian nationals in need as of the date of the Agreement, who would emigrate within a reasonable time;
3. citizens of countries formerly under the occupation of Nazi Germany who could not be repatriated within a reasonable time.

Prisoners of war were not covered by this aid scheme, so the last category included only the prisoners of concentration camps, though theoretically without exception, that is regardless of the causes of their deportation (religion, race, political discrimination, etc). Still, because Hungary was classified as an ex-enemy state and not as an occupied country, Hungarian deportees freed from concentration camps were not covered by the relevant passages of the Reparations Agreement.

Paragraphs E–G handed the fund over to be managed by the Inter-Governmental Committee on Refugees (IGCR). According to paragraph H, "The fund shall be used, not for the compensation of individual victims, but to further the rehabilitation or resettlement of persons in the eligible classes."

The delegates of the five countries responsible for implementing the decision (United States, France, Great Britain, Czechoslovakia and Yugoslavia) met in June 1946 in Paris to discuss the methodology of implementing the decision of January. The chances of coming to an agreement were hindered by the attempts of British diplomacy to put obstacles in the way of effective decisions. British foreign policy-makers

were certain that many of the refugees defined by Article 8 were deported Jews who after the end of the war presumably did not want to return to those locations where they had suffered persecution. Instead, the primary migration destination of this vast number of people was Palestine, a British mandate. This, however, was contrary to British interests.¹⁴⁰

The agreement reached on June 14, 1946 repeated once again that the fund was not to be used directly for personal aid, because then it would be exhausted very quickly; instead, its primary objective was to give general constructive support. In line with this decision, 90 percent of the assets formerly in German ownership, 90 percent of non-monetary gold and 95 percent of property left without an heir in neutral countries had to be paid back to Jewish victims. In accordance with the Reparations Agreement signed in Paris, IGCR was mandated to provide asset management. Pursuant to Paragraph D of the Agreement, IGCR was authorized to sell any non-monetary gold found in Germany. Under the Agreement the revenue was to be paid by IGCR to the appropriate field organizations, and they had to spend it on aiding refugees.¹⁴¹

One of the annexes to the Agreement was the so-called Letter of Instructions, whereby the signatories gave specific instructions to the Director of IGCR. This included the names of the “appropriate field organizations” meant to dispose of any sales revenue (realized by IGCR) and responsible for getting the aid to the refugees. Pursuant to the Letter of Instructions, the “Jewish” part of the revenue had to be shared by the American Jewish Joint Distribution Committee and the Jewish Agency for Palestine.¹⁴²

Between 1946 and 1948 the refugee organization developed its institutions and consolidated its organization. The changes were also reflected in a change of name: until July 1947 the organization was called the Inter-Governmental Committee on Refugees (IGCR), but it was renamed as the Preparatory Commission of the International Refugee Organisation (PCIRO). Finally the name was changed to International Refugee Organisation (IRO).¹⁴³

Now an international legal framework existed, including a set of categories and terminology, into which the U.S. authorities could fit specific issues concerning the wealth under their control. A decision was also made about the Gold Train: the U.S. authorities were of the opinion that a large part of the contents of the Gold Train ought to be subject to Part I, Article 8, Paragraph A of the Reparations Agreement, i.e. the assets should be classified as non-monetary gold found in Germany. This meant

that most of Hungarian Jewish assets passed into the management of IGCR, and finally became the property of the Jewish Agency for Palestine and the American Jewish Joint Distribution Committee.

To sum it up: in accordance with the decision of the Paris Reparations Conference, any looted monetary gold found in Germany or evacuated to foreign locations by the Third Reich had to be transferred into a common fund (later known as the GP), and had to be distributed among countries that suffered a loss, while non-monetary gold had to be turned over to IGCR for management. The idea was to restitute the looted gold reserves or their equivalent in gold to the individual countries, and to spend the equivalent of any gold expropriated from private individuals to compensate the victims. However, it soon turned out that it was not always possible to make a clear-cut distinction between individual categories, so one of the main questions about implementing the decision was how the exact meaning of monetary and non-monetary gold was to be defined. These problems of definition had a decisive impact on the fate of the Gold Train.

In August 1946 the U.S. Department of State suggested that the decree to be issued by the Joint Chiefs of Staff (JCS) should include the “broadest possible interpretation” of non-monetary gold. According to the proposal, non-monetary gold meant any and “all personal property which represents loot seized or obtained under duress from political, racial or religious victims” of Nazi Germany or its satellites. In the opinion of the U.S. Department of State the category of non-monetary gold was to include any precious metal asset “which was or may hereafter be found, seized or confiscated by USFET or by local authorities acting under the direction or control of U.S. Forces.” The proposal completed the definition with the following additions:

- “the property could not be restituted to its rightful owners because the original owner was not identifiable or had died without heirs”
- “the property could not be restituted to the nation where it originated because its national origin was undeterminable”;
- the object in question did not represent Jewish cultural or religious value, was not German currency and real property in Germany.¹⁴⁴

The JCS accepted the proposal, and on November 16, 1946 instructed the German and Austrian armed forces to make accessible to IGCR any

objects meeting the criteria of the above definition. Directive WX-85.682, which later became famous as the Non-Monetary Gold Directive, was different from the proposal inasmuch as it inserted the adjective “valuable” before the expression “personal property.”¹⁴⁵

In contrast with the above definition, in the opinion of James W. Angell, a diplomat heading the U.S. delegation at the Paris Reparations Conference, monetary gold meant “gold bullion and gold coins found in Germany” in a form of “medium of exchange.”¹⁴⁶ In contrast with this, gold objects found in a form to “indicate its use for dental, artistic and adornment purposes,” and gold coins of numismatic or historical value were deemed as non-monetary gold.¹⁴⁷ In accordance with this definition, the gold bullion and coins found on the Gold Train and originating from Jewish private individuals were likewise defined as monetary gold, as were, for instance, gold coins confiscated from the victims of various concentration camps.

So there were two diverging concepts: according to one (as defined in the “Non-Monetary Gold Directive”), what counted was the *origin* of the valuables, while according to the other (by Angell’s interpretation) the decisive thing was the *form* in which the property was found.

On April 21, 1947 the State-War-Navy Coordinating Committee (SWNCC) finally decided to adopt the “Non-Monetary Gold Directive” of the Joint Chiefs of Staff, with the only difference that regarding the valuables defined therein it classified gold bullion and gold objects found in the form of coins (and not representing historical or numismatic value) as monetary gold, and as such transferred them into TGC’s sphere of competence.¹⁴⁸ Accordingly, gold bullion and gold coins were treated as monetary gold and were transferred into the GP even if initially they were someone’s personal property and may have been seized under duress from its rightful owner, or if its original owner could not be determined. So finally the Commission formulated its definition based on the categories of the “Non-Monetary Gold Directive,” while adopting the decisive criterion of form. So the definition of “non-monetary gold” subsequently used by the U.S. military authorities may be summarized as follows: it was

- a) a valuable personal object, which
- b) had been seized from its rightful owner due to political, racial or religious persecution and
- c) had been seized by Germany or its satellites and

- d) was found on territories occupied by the United States, and
- e) it was not found in the form of bullion gold or gold coins, except where the object had numismatic value, and
- f) it could not be returned to its rightful owner or his heir(s), because such owner and/or his heirs could not be determined, or
- g) it could not be returned to the country of origin, because the latter was undeterminable,
- h) moreover, the object did not possess Jewish cultural or religious value.

SWNCC also declared that there was no need to consult Britain or France on this matter.¹⁴⁹ During this stage of the restitution process, the U.S. government started to make decisions alone. It is typical of the situation that while at this time Washington was still demanding that the Office of Military Government in Germany, U.S. (OMGUS), took into account the monetary gold definition of the Tripartite Gold Commission for its daily work, in May 1948 the U.S. army already had this directive annulled, thereby ignoring TGC's official position.¹⁵⁰ In the TGC's opinion monetary gold included "all gold which at the time of its looting or wrongful removal was carried as part of the claimant country's central bank or other monetary authority at home or abroad." This definition was clearly in conflict with SWNCC's decision, as it did not include gold bullion or gold coins that did not originate from banks, but were initially held by private individuals. SWNCC transferred such valuables to the Gold Pool, despite the definition of TGC, the organization overseeing the Gold Pool, according to which such assets ought to have been turned over to the refugee organization rather than being transferred to the Gold Pool.

5. THE FATE OF THOSE CONTENTS OF THE GOLD TRAIN WHICH FELL INTO AMERICAN HANDS (1945–1957)

Between May 11 and July 19 the Hungarian Jewish Gold Train was under joint US–Hungarian control, with U.S. supremacy. Dual control ended on July 19, 1945, when the train's Hungarian crew and their families were taken to a displaced persons camp.¹⁵¹ Then the U.S. authorities took the train to Salzburg, and selected a former Wehrmacht Military Warehouse for storing its contents in the northwest part of the town.¹⁵² (In the vast majority of cases U.S. documents refer to the Gold Train as the "Werfen

Train.” Even though the U.S. army took over the train from its Hungarian crew not at Werfen but at Böckstein, the train did stay at Werfen between May 16 and July 19, hence the name. Another frequently used expression is the “Hungarian Loot Train.”)

Later on, other valuables were also brought to this warehouse. These included for instance the personal property of the Ustasha “poglavnik” (leader) Ante Pavelić and his wife from Croatia, the personal belongings of Ferenc Vajta, a captured Arrow Cross Consul-General, and some valuables of the Ribbentrop family.¹⁵³

The place of the warehouse in the gradually evolving U.S. military hierarchy of occupation was the following: the United States Allied Control in Austria (USACA), an organization embodying the not strictly military institutional background of occupation, reported to the United States Forces in Austria (USFA). One of the departments of USACA was the Reparation, Deliveries and Restitution Division (RDRD), whose Property Control Branch (PCB) was responsible for the Property Control Warehouse in Salzburg. The commander of the warehouse was the so-called Property Control Officer.

The valuables held in Salzburg soon caught the attention of the high-ranking officers of the U.S. occupation army settling in Austria. Lieutenant Colonel Heller, the Property Control Officer, was informed by his superiors already on August 2, 1945 that General Harry J. Collins, the Commander of Division 42 (“Rainbow”) and Commanding General of the occupation forces, had decreed that the Property Control Officer should allot to him “without delay” the “very best quality [...] available” of porcelain, silver, glass, tableware and bed linen.¹⁵⁴ During the next few weeks, high-ranking officers kept making ever new requests to Lieutenant Colonel Heller. Starting from the early fall of 1945, large quantities of carpets, paintings, silver and glass objects from the Gold Train found their way to the residences of General Collins, General D. W. Brann, Brigadier General H. Linden, General E. D. Howard, Brigadier General M. Ross, Collins’s deputy Brigadier General Tate, Chief of Staff General McMahon, General L. D. Flory and others.¹⁵⁵ For instance, by October 24, 1945, 20 carpets, more than 200 pieces of glass and porcelain tableware and nearly 250 silver objects had ended up in Brigadier General Ross’s residence alone.¹⁵⁶ Hungarian Jewish assets landed also partly on General Collins’s private train, partly in his chateau residence and private villa, and partly at his Salzburg headquarters (Brunnerstrasse 26–28) and guest house.¹⁵⁷ According to an undated list, altogether 31 carpets, 18

pieces of textile (tablecloths and bed linen), 3 paintings, 179 glass, 12 silver and 101 porcelain objects were taken from the Gold Train to the four buildings and one railway carriage under Collins's control.¹⁵⁸

Not only generals' private residences but also command office buildings were adorned with valuables taken from the Gold Train. Examples of this included, for instance, the Viennese center of USACA's Economic Division, the buildings of the Military Government in Salzburg, or the command offices of Division 42, the so-called Trapp Estate.¹⁵⁹

Lieutenant Colonel Heller tried to draw up a precise register of all the objects that had been given over to use, and even attempted to keep track of their movements. In early 1946 he wrote a letter to generals and officials who had made requisition claims, asking them to report on the location where these objects had been taken, and noted that "all of this property was drawn from the so-called Hungarian Werfen Train."¹⁶⁰ At the end of February 1946 Lieutenant Colonel Heller was sent back to the United States and Major C. R. Agnew was appointed his successor. On March 8 the new Property Control Officer met Lieutenant Colonel Bull, a representative of the logistics team of Division 42.¹⁶¹ The Lieutenant Colonel told him that General Collins wanted to provide appropriate care and accommodation for the families of occupational army staff arriving from overseas, and that he wanted to do that, at least partly, by claiming the necessary articles from the warehouse stock. Under the influence of this meeting, Agnew proposed to his superiors to draft a separate claims regulation, and to create a new position which would involve not only overseeing the allocation process, but also exercising control over already allotted assets.¹⁶² Agnew's superior, First Lieutenant W. M. Treece, head of the Property Control Branch, did not support Agnew's initiative, but on March 14, 1946 proposed to the Military Government to introduce a rule whereby objects could be claimed from the contents of the Gold Train only if "the property is required for the essential needs of the occupational forces."¹⁶³ We do not know whether Agnew and Treece ever got a definitive response to their proposal.

What we do know is that on April 1, 1946 Major Agnew was relieved from his duties after hardly more than a month of service. Captain H. A. Mackenzie became the new Property Control Officer. Mackenzie instructed First Lieutenants R. E. Jansson and J. Coker, and Second Lieutenant R. Wellington to draw up an itemized list of all the assets claimed to that date, and to indicate in every case where they were to be found. But all three officers were ordered to return for service to the United States on

June 1, 1946, and no successors were appointed to replace them. Captain Mackenzie's other subordinates were also ordered to return to overseas positions without the appointment of any replacement staff.¹⁶⁴

On June 5, 1946 the command of Chief of Staff of the United States Forces in Austria (USFA) received a letter from USACA in which Allied Control suggested that "if it becomes necessary to release these items [i.e. valuables from the Gold Train—G. K–Z. V.] for use by the occupation forces, recommend that such release be contingent upon their return on 30 days notice." General Tate wrote on the document in his own handwriting the following: "There is evidence this property belongs to Hungarian Jews. It will not be used. Must be carefully protected."¹⁶⁵ We do not know what made high U.S. military officers change their mind, since General Tate himself claimed glassware from the warehouse even in February 1946,¹⁶⁶ and moreover he was the one who received the items formerly used by deceased General D. W. Brann, items which also came from the Gold Train. On June 8 (i.e. 3 days after Tate's handwritten instructions) the head of the Property Control Branch's letter to Captain Mackenzie was already making reference to a Chief of Staff's decree, saying that in future no more claims could be satisfied. It also ruled that even those assets that had already been released once before had to be duly claimed again, this time using the appropriate documents, in order to make sure that they could be transparently traced back.¹⁶⁷

In line with the decree, in July 1946 Mackenzie requested in a letter that claimants should either return to the warehouse any valuables at their disposal, or should send precise records of such items.¹⁶⁸ This notwithstanding, only a few records and items were ever returned to Salzburg.¹⁶⁹ Despite the failure of the Captain's initiative, it appears that those concerned were determined to create some kind of order from the chaos that evolved in the space of just one year. In July 1946 the officers involved in addressing the question of Austrian restitution met to discuss the problems encountered. Participants of the meeting headed by General Tate suggested the making of claims should be suspended and brought to an end.¹⁷⁰

Still in the same month Sergeants E. A. Schnaible and R. J. Cloud were appointed to keep record of the valuables released from the warehouse. But their efforts were doomed to failure, as in the summer of 1946 several occupational units were reorganized, many of the soldiers were discharged, while others were redeployed to service posts in the United States. So it was impossible to keep track of all of the items.¹⁷¹ During July

Mackenzie aggregated available lists and sent them to the high command of Joint Chiefs of Staff. But his superiors showed little appreciation for his efforts: in early August he was ordered by phone to stop sending correspondence until further notice to the high-ranking officers and offices listed.¹⁷² Then all that happened until February 1947 was that Sergeant Schnaible was ordered to return to the USA, and Sergeant Cloud was discharged, though he was allowed to continue working as a civilian at the financial section of the U.S. army.

On February 24, 1947 Captain Mackenzie was informed by his superiors that it had been decided at the highest command level to give a large part of the contents of the Gold Train into the charge of the IGCR.¹⁷³ In March control over items claimed and released from the warehouse was taken away from Mackenzie and delegated to the (military) Real Estate Office of Land Salzburg.¹⁷⁴ A list of the valuables claimed was drawn up by First Lieutenant O. Oldman and R. J. Cloud, now a civilian. On June 13 the Real Estate Office sent a memorandum to the territorial army command. Alarmed at finding such a chaotic state of affairs, representatives of the Real Estate Office declared in this memorandum that they could not take responsibility for assets whose precise location could not be determined.¹⁷⁵

Major C. M. Mayes was appointed to investigate the causes of the obvious discrepancy between the list of the items released and the items found. The investigation found the Salzburg warehouse staff guilty of failure to draw up a comprehensive inventory of all items found on the Gold Train. The Report also notes that "Property in some cases has been moved from one location to another without proper notice being given to the Property Control Officer."¹⁷⁶ Mayes's report also concludes that documentation was chaotic and unclear. The Investigation Officer's recommendation was to hold the relevant officers "morally" responsible for the disappearance of items from their residence. Mayes also recommended that fines be imposed on the signatories of receipts of acceptance (predominantly the adjutants of high-ranking officers and subordinates of other rank) in proportion to the losses involved should it turn out that they failed to check the status of the assets previously claimed "by them" before leaving their service post on being transferred to a new one.¹⁷⁷

To briefly summarize the findings of Mayes's investigation: the high-ranking officers who were really behind the "borrowings" and who were the real beneficiaries of the assets, who used them for their own comfort and PR purposes, could be subjected to moral reproof at most, while their

subordinates who signed their name to these transactions could also be held financially liable.

As documentation was and is incomplete, it cannot be said for sure precisely what amount of assets were claimed by high-ranking U.S. officers from the Property Control Warehouse. It is not clear either how many items and of what value were returned to the Warehouse. There is no evidence to prove whether constant discharges and redeployments really served to undermine the Property Control Officer's effective records. What we do know for certain is that many objects disappeared in one way or another and were never returned to the Property Control Warehouse; consequently, high-ranking U.S. officers had a major responsibility for the continued scattering of the wealth of Hungarian Jews, and what is more for the occasional theft of individual valuables or collections of valuables.

The valuables at the Salzburg Warehouse attracted the attention not only of high-ranking officers. On November 6, 1945 Lieutenant Colonel Heller received a letter from Major M. N. Rosenberg, head of the Army Exchange Service (AES), who was in charge of the internal merchandising network of the U.S. army. Rosenberg claimed some of the assets on behalf of his apparatus, as he was planning to sell the watches and jewelry within the army.¹⁷⁸ The Legal Division of USACA thought that there was no reason why the claim could not be satisfied. In their opinion the contents of the Gold Train met the general definition of assets to be released to the AES. These included "The property is . . . either captured enemy property, or property of perishable nature, or both."¹⁷⁹ But the Finance Division of USACA pointed it out to those concerned that such property could be released to AES only if, apart from several other circumstances, it did not represent items of "personal value," because in that case any potential claims by the original owners could also be satisfied by giving them money.¹⁸⁰

The Reparation, Deliveries and Restitution Division (RDRD) was concerned at the idea of selling such property because the "goods apparently are not perishable, and it is believed there may be claims from the original Hungarian owners for identifiable private property."¹⁸¹

Commander of the Property Control Branch Major J. T. Kontz did not think that the appropriate legal conditions were in place for AES to auction off a certain part of the cargo of the Gold Train to army personnel.¹⁸² So—at least temporarily—the idea was taken off the agenda.

But it resurfaced one year later, when in November 1946 Captain Mackenzie saw that the condition of carpets and fur had been fast deteriorating as a result of storage. He asked for the opinion of an Austrian expert, Karl Schwartz, who confirmed that this was indeed the case. Then Mackenzie wrote a letter to his superiors, pointing out that unless the carpets and fur were removed from the Warehouse within three months, their value would radically depreciate.¹⁸³ Then J. A. Garrison, head of the RDRD, suggested once again that these items be auctioned off in order to prevent a loss in their value.¹⁸⁴

Naturally the AES seized the opportunity. "The Army Exchange Service is very much interested in the confiscated Hungarian property stored in Salzburg" wrote an official of the Procurement Division in his answer dated December 22, 1946.¹⁸⁵ According to this letter, the Division contacted the Frankfurt headquarters of AES, asking for permission to make the sale as soon as possible.

The known documentation ends at this point. We do not know for certain whether AES did as it had planned to do, and whether Hungarian Jewish property was indeed auctioned off to the army. We think it more likely that it was not. In July 1947 Captain Mackenzie's summary report does not mention releasing any assets from the Property Control Warehouse to AES. Starting from February 1947 a significant part of the carpets and fur was controlled by the IGCR, the relevant decision being made at the end of 1946, that is, nearly at the same time when AES's planned to start auctioning.

Likewise uncertain is the final outcome of another scheme. After being Property Control Officer for less than a month, Major C. R. Agnew asked his superiors on March 5, 1946 to grant a request from Major Flaherty, the Chaplain of Division 42. The Chaplain was asking for clothing to be released to him from the contents of the Gold Train stored at the Warehouse for distribution to needy residents of refugee camps. (Agnew ordered his men to pack the clothing into 40 cases of 6x3x3 feet or approximately 180x90x90 cm each.)¹⁸⁶ The answer was not a clear rejection. Agnew was instructed by his superior in command to report on the legal background of the proposed release of clothing and on the general condition of such clothing.¹⁸⁷ But we do not know the final outcome. According to Kenneth D. Alford, the much assailed researcher of the history of the Gold Train, those responsible finally turned down Chaplain Flaherty's request.¹⁸⁸

The property of Hungarian Jews stored in Salzburg was sought not

only to satisfy either the desires of high-ranking officers for a degree of luxury, AES's business schemes, or Major Flaherty's philanthropic plans, but triggered the rapacious instincts of some U.S. army privates too. In May and June 1946 there were several break-ins, accomplished with the connivance of Property Control Warehouse guards. Mostly it was gold objects and watches that were stolen. The Criminal Investigation Division (CID), the criminal investigation organization of the U.S. army, soon tracked down the perpetrators. In September 1946 those accused were prosecuted and sentenced to several years of forced labor. Some of the stolen property was duly recovered.¹⁸⁹

More property (2 carpets) disappeared from the Gold Train in November 1945 when unknown perpetrators simply stole General Collins's private train. His railway carriage was found later on, but the thieves had already taken the carpets with them.¹⁹⁰

As we mentioned some time around the end of 1946 and the beginning of 1947 the U.S. authorities decided that the cargo of the Gold Train was subject to Part I, Article 8, Paragraph A of the Paris Reparations Agreement, in other words they defined its contents as non-monetary gold found in Germany. So pursuant to the Agreement, most Hungarian items stored in Salzburg were given into IGCR's management.

On February 24, 1947 the Headquarters of the United States Forces in Austria (USFA) informed Property Control Officer Captain Mackenzie of the decision.¹⁹¹ His superiors told Mackenzie in detail on May 16, 1947 what groups of property belonged to IGCR, namely¹⁹² " ... items [...] of the »Werfen Train« [...], excluding:

- a) Jewish books and manuscripts, ritual tapestries and clothes [obviously meaning the veils used to cover Torah cabinets—G. K.–Z. V.], and Jewish Church ceremonial regalia
- b) Currencies and securities
- c) Furniture and personal belongings of small intrinsic value. Special instructions will be forthcoming incident to release of these items to refugee camps.¹⁹³
- d) Monetary gold bullion, including gold coins.
- e) Silver coins.

But including any coins, gold or silver, of numismatic value."

It is clear from the above that the Headquarters of the United States Forces in Austria (USFA) was acting in line with the April 21, 1947 decision—i.e. the SWNCC definition of non-monetary gold—when it exclud-

ed gold bullion, gold coins of no numismatic value, and Jewish Church ceremonial regalia from the range of assets to be transferred to IGCRC.

The first transport left Salzburg on June 5, 1947.¹⁹⁴ The second cargo of altogether 75 cases filled with “precious stones and other valuables” departed to Frankfurt on June 19.¹⁹⁵ Items originating from the Gold Train and transferred to IGCRC left the Property Control Warehouse in ten transports.¹⁹⁶ The last one departed to Germany in February 1948 and contained altogether 244 items of silver tableware and 2 silver cigarette cases. So in line with the U.S. decision the contents of the Gold Train were divided into several parts, each of which was to meet a different fate.

In the first half of 1948 *precious stones, gold objects (watches, chains, rings), silver tableware, glass and porcelain* were moved to the United States, in order to sell individual items at auctions. On May 26, 1948 PCIRO’s Merchandising Advisory Committee mandated an auction house, New York Parke-Bernet Galleries, to arrange the auctioning of the valuables in its charge.¹⁹⁷ A Letter of Appointment was issued for the auctioning of “diamonds and other precious stones, jewels, silver, porcelain, glass and other objects.” It was not valuables from the Gold Train alone that were sold at these auctions, but the decisive majority of the items certainly came from there.¹⁹⁸

We know specifically about six auctions held in New York¹⁹⁹ (on June 21, 22, 23 and 24 in the morning and in the evening, and on June 25, 1948). On June 21 and 22 precious stones, jewels set with precious stones, and gold jewels were sold off. On June 23 and 24 it was the turn of silver objects, Herend, Rosenthal and Dresden porcelain, and cut glass. On June 25 silver objects and gold cases went to new owners. An unknown quantity of silver objects from the Gold Train and declared worthless were melted down and sold in that form.²⁰⁰

During 1948 and 1949 more auctions were held in New York.²⁰¹ The refugee organization conducted the sales with the involvement of Samuel Montague & Co. of London.²⁰²

Participants of the November 14, 1950 meeting of the American Jewish Joint Distribution Committee quoted a revenue of 1,867,017 dollars realized by PCIRO from the sale of valuables found on the Hungarian Gold Train.²⁰³ According to PCIRO’s June 1951 report, by the end of 1950 it had raised USD 2,963,858 in total from the sale of non-monetary gold transferred to it.²⁰⁴ This means that by the end of 1950 nearly two-thirds of the total revenue (63 per cent) came from assets originally owned by

Hungarian Jews, most of whom had died in 1944. According to its June 1951 report, PCIRO wanted to continue making sales until the end of 1951. As it turns out from a May 1949 PCIRO report, at this time (May 1949) PCIRO experts estimated the revenue at nearly 4 million dollars.²⁰⁵ Based on the description of the items listed in the report, it seems likely that the forecast also included revenues from the sale of some of the items from the Gold Train.²⁰⁶ So the Gold Train “generated” a certain part of the additional 1 million dollars made on top of the nearly 3 million dollars raised in 1948–1950. Thus it is not impossible that the “share” of the Gold Train was in fact even higher than 63 percent.

We can reconstruct only bits and pieces of information about what may have become of the several thousand *carpets*. Several hundred of them were claimed by high-ranking U.S. officers. IGCR distributed some of the carpets to refugees in camps, that is to deportees.²⁰⁷ A certain number of them stayed with the Property Control Branch.²⁰⁸ Less than a hundred were taken to the USA in the mid-1950s, and then returned to Austria. An unknown quantity of particularly valuable carpets were auctioned off by the refugee organization.²⁰⁹

A significant part of the *furs* were still stored at the Property Control Warehouse even in early 1948, so it is highly likely that at least some of this had become unfit for use. According to a letter written by the officer responsible for releases to his superiors, “PCIRO stated that they plan to use these furs in the educational training of DP furriers who will clean and rehabilitate some of these furs.”²¹⁰ This very strange reasoning gets round explaining what ultimately happened to the furs after they had been cleaned during so-called educational training. It is likely that it was sold later on, but we do not know who used such fur or when and for what purpose.

There is no definitive answer to the question about the fate of the *currency (bank notes, gold and silver coins)* found on the Gold Train, either. In April 1946 more than 10,000 gold coins were moved from the Salzburg Property Control Warehouse to the United States Austrian Currency Section (USACS). In addition to the coins USACS also received the currency on the Gold Train for safe custody.²¹¹ On May 24 nearly 6 thousand more—this time silver—coins were delivered to USACS.²¹²

At the turn of 1946–1947 a strange intermezzo occurred in the history of currency carried by the Gold Train. On November 8, 1946 the executives of the Austrian National Bank made a declaration to the U.S. military authorities about various asset groups found on Austrian terri-

tory. "We refrain from expressing any opinion on the question whether the treasure which was discovered by American military personnel on Austrian territory and brought to Salzburg became American property under the head of booty. We do, however, state and confirm that the treasure was entirely Austrian property before its discovery and, as such, could certainly be claimed by the Austrian National Bank."²¹³ The U.S. authorities granted the Austrian request. A draft document justified the decision as follows: "... such evidence as is available is not sufficient to establish to a mathematical certainty the validity of the Austrian National Bank's claim. On the other hand, no repeat no evidence has been found to refute this claim."²¹⁴ The unknown author of this document justifies the acceptance of the claim by saying that it "would benefit the Austrian economy and constitute further proof that the U.S. intends to carry out its announced policies in Austria."

On February 19, 1947 the United States and Austria signed an agreement in which the U.S. government agreed to release gold bullion and gold coins worth USD 4,734,507 to the Austrian state.²¹⁵ These items included some gold bullion and gold coins from the Gold Train which the U.S. authorities did not intend for Austria. When the Americans discovered the mistake, they immediately notified the Austrian National Bank, and so it returned to the USA 22 different kinds of gold coins and 7 kilograms of gold bullion which it had received by mistake.²¹⁶

As it is clear from the already cited order of May 16, 1947, the U.S. authorities initially excluded any paper currency found on the Gold Train from the range of assets to be turned over to IGCR, along with gold and silver coins defined as monetary gold of no numismatic value. Nevertheless, all three groups of valuables ended up with IGCR. The justification of the decision has been preserved, because it was recorded on a list of gold coins and gold bullion returned by the Austrian National Bank: "Above monetary gold, part of 'Hungarian Loot Train' not appropriate for 'Gold Pot' [a synonym for the Gold Pool—G. K.—Z. V.], as it was not taken from or found in Germany. It will be turned over to IGCR."²¹⁷ Here the unknown U.S. official is referring to Part III, Article 1, Paragraphs A and G of the Paris Reparations Agreement, defining the restitution of monetary gold. These paragraphs stated that those monetary gold deposits were to be merged in a common fund (later to become the Gold Pool) which was either taken by the Nazis from Germany to a third country, or was found by the Allied troops on the territory of Germany at the end of the war.²¹⁸ So in this case the U.S. authorities used the "territorial princi-

ple,” in other words took into account whether an asset was found on the territory of Germany or Austria. As the Gold Train was taken under U.S. army control in Austria, so the gold coins found on the train and defined as monetary gold according to SWNCC’s April 21, 1947 decision were not to be included in the Gold Pool. (We will come back to the inconsistent application of the “territorial principle” later on.)

On September 19, 1947 the highest U.S. authorities instructed the United States Forces in Austria (USFA) to turn over to PCIRO any currency from the Gold Train.²¹⁹ In December 1947 a summary inventory was drawn up by the property control authorities about the currency stocks of the “ex-Werfen Train.” This included paper currency and gold and silver coins alike, thereby treating various forms of currency, denominations and issues as a homogeneous group of valuables.²²⁰

As we do not know why the U.S. authorities adopted a decision that was the exact opposite of their previous policy, equally we do not see clearly why the refugee organization was not allowed to take possession for two years of the paper currency, gold and silver coins it was supposed to be disposing of. In the end it did not get access to the pool until August 1949.²²¹ This is particularly strange, because RDRD instructed the Financial Division already in January 1948 to take the necessary steps to ensure that USACS turned over the valuables to the refugee organization.²²²

One case of *pure silver* from the Gold Train was released from the Salzburg Property Control Warehouse to USACS on February 19, 1946.²²³ As with the silver coins the U.S. authorities put at IGCR’s disposal 18 gold bars and 1 box of silver dropping in May 1947.²²⁴ Once again there was a delay in turning over the valuables, as George Wenzel, IGCR’s representative, could have access to the silver treasure only in November 1947, which had been first taken to Frankfurt together with the 5th PCIRO transport (see above) and then transported overseas.²²⁵

The 17 gold bullion (total weight: 13.5 kg) originally kept in a case marked “Ar. p. 3.” were deposited by the U.S. authorities at the Salzburg branch of the Austrian National Bank on November 22, 1946.²²⁶ The original cargo is likely to have contained more gold bullion than that, because at least one-and-a-half times as many bars had been confiscated from Ernő Keleti alone (see above). We do not know whether the 7 kilograms of gold turned over to the Austrian National Bank and later returned by it was from the case marked “Ar. p. 3.” All we know for certain is that the same 17 gold bullion were given into USACS’s hands on August 11, 1947.²²⁷

It cannot be said for certain what happened to this gold thereafter. There are two possibilities, but neither is supported by hard evidence:

1. The gold was turned over to the refugee organization. This is theoretically inconsistent with the U.S. policy based on the SWNCC decision of 1947 repeatedly referenced above, because according to this decision the gold ought to have been included in the GP, similarly as with gold coins of no numismatic value and gold currency. But PCIRO got the latter. So it is possible that the same thing happened to gold bars as well. This possibility seems to be confirmed by the fact that the US's official opinion written on the list of gold bars and gold coins returned by the Austrian National Bank clearly designates the refugee organization as the rightful depository of the bars, and does so in reference to the "territorial principle." At the same time, nothing in the letter accompanying the gold bullion and deposited with USACS on August 11, 1947 indicates that this gold had to be turned over to PCIRO, although the relevant decision must have already been made by this time, as the turning over of valuables from the Gold Train to the refugee organization had already started.

On January 23, 1948 the head of RDRD said in a letter to the Finance Division: "the gold bullion, foreign paper currency, gold, silver and token coins . . . now held for the account of Property Control by the U.S. Austrian Currency Section..." must be turned over to the refugee organization.²²⁸

According to a letter from April 1948, monetary gold from the Gold Train was not transferred to the GP, instead it was allocated to PCIRO but was not physically released to it for the time being.²²⁹ Yet this document cannot be accepted as conclusive evidence either, as it talks about "monetary gold recovered from the train" rather than gold bullion. The expression could refer to gold coins alone, which definitely did go to the refugee organization.

2. Gold bullion was transferred to the Gold Pool, and so indirectly fell under the control of the Tripartite Gold Commission. This scenario is theoretically in line with the U.S. policy of restitution. A telegram dated January 3, 1947 from the United States Forces in Austria (USFA) to Washington stated that "monetary gold [from the Gold Train—G. K.—Z. V.] other than coins of numismatic value will be turned over to gold pot."²³⁰ So somewhere along the decision-making process the authorities must have been considering using the 1947 SWNCC decision to include monetary gold recovered from the Gold Train as well, and consequently to channel gold bullion into the GP.

In line with the “Non-Monetary Gold Directive,” the directive of May 1947 on property to be released from the Salzburg Property Control Warehouse excepted *Jewish liturgical objects* from among categories of property to be turned over to the refugee organization. Sorting was completed by January 1948. Altogether 450 cubic feet of Jewish ritual objects weighing nearly 3 tons had been selected.²³¹ The regalia included, for example, more than 800 menorahs and nearly 500 Torah shields.²³² On April 25, 1948 the USFA received an order to move Jewish ritual objects to the Offenbach Property Control Warehouse located in a U.S. occupation zone of Germany. Similar objects were brought to Offenbach from all over Germany.²³³ The transport arrived at the Offenbach Warehouse on May 31, 1948.²³⁴ From here the church ceremonial regalia of Hungarian Jewish communities were taken mostly to Jewish religious communities and synagogues in Austria.²³⁵

A number of *Catholic ecclesiastical objects* were also removed from the Gold Train and turned over to the U.S. army, albeit there were far less of these than of Jewish regalia. Some of the Catholic regalia were confiscated by the Hungarian authorities from Jews who had converted to the Christian faith (but were nevertheless subject to laws and statutes affecting Jews in Hungary). Other ecclesiastical objects may have originated from the non-Jewish Hungarians whom Toldy had allowed on the train. The 13 Catholic ecclesiastical objects (7 chalices, 5 silver crucifixes, 1 standing crucifix)²³⁶ were entrusted to the Archbishop of Salzburg for safekeeping,²³⁷ at the suggestion of Major E. J. Saunders, field Chaplain of the U.S. army in Salzburg.²³⁸

We can only partially reconstruct what happened to the 100 *paintings* from Győr that were also part of the cargo of the Gold Train. On November 7, 1947 the military authorities in charge of the Salzburg Property Control Warehouse handed over 1,182 pictures to Evelyn Tucker, the Restitution, Deliveries & Reparation Division Monument and Fine Arts Advisor. According to Tucker’s report, it was clear from incomplete available documentation that some of the paintings originated from the Gold Train, while others were brought to the Warehouse from the nearby Fischhorn Castle. The advisor had the paintings transported the very same day.²³⁹

We have only fragmentary information about what happened after that. On January 5, 1949 the Commanding General of USFA turned over an uncertain number of pictures of Hungarian origin to the Austrian government, saying that he thereby removed all responsibility from himself

in this regard.²⁴⁰ According to a document dated 1951, 1,150 pictures were given into safe custody. In accordance with the text, the original owners were “Hungarian persecutees who had been forced to deposit them [their valuables—G.K–Z. V] in Hungarian banks.”²⁴¹

In 1957 the Hungarian Embassy in Vienna was informed that there were art treasures of Hungarian origin hidden in the mines of Alt Aussee (as already mentioned above). In 1958 two staff members of the Embassy, in the guise of tourists, visited the mine that happened to be a tourist attraction and found out from one of the workers there that there were indeed some paintings in one of the mine shafts.²⁴² Under pressure from the Hungarian authorities, between November 3 and December 2, 1960 two Hungarian experts also visited the mine, this time in an official capacity. They concluded that the property stored there was “part and parcel of cultural assets seized and taken from Hungary under duress during the Second World War.”²⁴³ In the first half of 1961 the Hungarian Ministry of Foreign Affairs received from the Austrian authorities a list of 1,180 art works.²⁴⁴ The Hungarian experts concluded that two items originated from the Hungarian Museum of Fine Arts, 102 paintings were originally owned by the Győr City Museum, and 29 items had been “seized and taken to Austria under duress from other Hungarian collections.”²⁴⁵ On November 20, 1963 the Austrian authorities restituted 135 paintings to Hungary.²⁴⁶ The paintings from Győr, which accounted for a large part of the shipment, arrived back in the Győr City Museum in February 1964.²⁴⁷ More research is needed to clarify whether or not the paintings confiscated from Győr Jews were ever restituted to Hungary, and if so, whether their original owners or their heirs got them back.

Theoretically speaking, none of the categories of property kept at the Salzburg Property Control Warehouse and originating from the Gold Train ought to have stayed in U.S. *army control*, as each of them must have been subject to an allocation decision at least once. Yet this is exactly what happened to a number of paintings, carpets and silver objects, numerous enough to make a smaller size cargo.²⁴⁸ In late 1955 and early 1956 these objects were taken to the United States, where they were deposited at the Richmond (Virginia) warehouse of the Quartermaster General. However, Ardelia Hall, Arts and Monument Advisor to the Department of State, proposed to have these valuables returned to Europe.²⁴⁹ They were turned over to the U.S. Embassy in Vienna in May 1957, which released the objects to the Austrian government on July

30.²⁵⁰ The shipment included nearly 80 items of inventory, including 300 silver objects (cutlery and candle sticks), 20 carpets and 2 paintings.²⁵¹ Apart from this, the fate of these objects is unknown.

Together with the contents of the Gold Train, the U.S. authorities also gained control of valuables whose owners were admitted on the train as passengers with Toldy's permission. These owners (members of the Markovits and Csillaghy families) did contact the Property Control Officer of the Salzburg Warehouse, Lieutenant Colonel Heller, asking him to return their personal belongings to them.²⁵² The belongings in question were identified, but in the absence of a higher-level decision Heller said he could not release their property to the Markovits and the Csillaghy.²⁵³

The situation was further complicated, as one of the suitcases bearing Csillaghy's crest was in fact owned by a Hungarian Jewish women living in Switzerland, whose valuables Csillaghy had rescued from Hungary during the war. He informed Jolán Gergely about what had happened to her suitcase, and in September 1945 she filed a claim with the U.S. government via a Swiss agency.²⁵⁴ The answer arrived only on July 20, 1946. Captain Mackenzie, Property Control Officer of the Salzburg Warehouse at the time, informed the agency that "only one piece could be located" of Jolán Gergely's property.²⁵⁵ It is not clear whether Mackenzie had in mind one suitcase or one single object. In any case, the suitcase containing Jolán Gergely's valuables was unambiguously identified during Markovits's and Csillaghy's visit.²⁵⁶

In September 1946 Markovits and his wife returned to the Property Control Warehouse to collect their identified clothes.²⁵⁷ This was the first time that the rightful owners had been able to reclaim property from the contents of the Gold Train. The Csillaghy family would also have liked to get their things back, but all they were able to regain in the beginning of 1948 was one Singer sewing machine and a monstrance decorated with a crucifix.²⁵⁸

The Csillaghy's had more success with works of art stored separately from these other objects and by this time already removed from the Salzburg Property Control Warehouse. Mrs. Csillaghy identified 7 paintings and 1 Greek icon, of which 5 paintings belonged to Jolán Gergely. The U.S. authorities did release these works of art to her,²⁵⁹ and sent Jolán Gergely's paintings to their rightful owner in Switzerland.²⁶⁰ Jolán Gergely was the only Hungarian Jew who managed to recover personal property from the several tons of cargo of the Gold Train after it had left Hun-

gary. The Csillaghy's and Markovits's silver and porcelain objects²⁶¹ and cutlery had vanished in the Property Control Warehouse and a subsequent shipment to the refugee organization.

6. HUNGARIAN ATTEMPTS TO RECOVER THE CONTENTS OF THE GOLD TRAIN

The existence of a significant quantity of valuables originating from Hungarian Jews became widely known after the end of the war. In January 1945 Gideon Rafael, a member of the Political Department of the Jewish Agency, traveled to Budapest to negotiate with the leaders of the remaining Hungarian Jewish community about the Gold Train. An agreement was worked out according to which a certain part of the freight would be used for the rehabilitation of the Hungarian Jews, while the other part would support "general Jewish reconstruction."²⁶² The precise proportion of the distribution is not clear, but this fact has no significance, since it was not the Hungarian or the international Jewish leadership that made the decisions regarding the Gold Train, but the U.S. authorities. Knowing this, the Magyar Izraeliták Országos Irodája (MIOI—National Office of Hungarian Israelites), acting on behalf of the remaining Hungarian Jewish community, made attempts to recover the contents of the Gold Train. On November 7, 1945, the Office addressed a petition to the Allied Control Commission, but nothing came of this.²⁶³ For their part, the international Jewish organizations also took steps. At a meeting between Rafael and the head of the USACA Finance Division Lieutenant Colonel A. W. Marget in the early spring of 1946, the American officer expressed his government's intention to transfer the freight of the Gold Train to "an international Jewish body for the purposes of relief and resettlement."²⁶⁴ What Washington needed for this was a declaration in which the Hungarian government waived its claims regarding the Gold Train. After some negotiations, Hungary's Prime Minister Ferenc Nagy issued the waiver to the Jewish Agency in May of 1946.²⁶⁵ This document was not sufficient for Washington, since it was not addressed to the U.S. Government. Moreover, the international Jewish organizations had strong suspicion that Nagy would revoke the waiver if they asked him to address it to Washington. So in June 1946 they turned to the leaders of the Hungarian Jewish community instead, asking them to make a declaration

“that assets be made available for Jewish victims of fascist persecution on similar terms as described in the Prime Minister’s letter to the Jewish Agency.”²⁶⁶ In their response the Hungarian Jewish leaders made clear that, in contrast to their previous point of view, “the way in which the valuables to be released shall be used will be decided by the appropriate organizations of the Hungarian Jews.”²⁶⁷ In the summer of 1946, Washington was informed that this opinion was only a political maneuver towards the Hungarian government; unofficially the Hungarian Jewish leaders did not in fact want the Gold Train treasures to be restituted.²⁶⁸ Whether true or not, whatever was behind the change of position of the Hungarian governmental and Jewish leaders (growing Soviet and Communist influence, clashes among factions inside the Jewish community, etc.), by the spring–summer of 1946, both governmental bodies and Jewish organizations made it clear that they would like to have the contents of the Gold Train restituted to Hungary. In contrast to this was the American decision, which was in accord with the above mentioned sentence of Marget, i.e., to transfer the Gold Train freight to the international Jewish organizations. Finally the already detailed “Article 8” decision provided the framework for achieving this objective.

Acting on behalf of the new Hungarian government, László Varvasovszky, head of the Hungarian Restitution Mission in Vienna, submitted a so-called Claim List to RDRD on October 27, 1947 under reg. no. AWZ 1222 and AWZ 1222/1.²⁶⁹ In this the Restitution Mission presented Hungary’s claim for the objects of Hungarian (Jewish) origin stored at the Property Control Warehouse. Varvasovszky also asked for permission to enter the Property Control Warehouse. The head of the Reparation, Deliveries and Restitution Division of USACA, J. A. Garrison, responded to the request in a letter of December 2, 1947, in which he declared that “it is impossible to identify claimed property with the given description. Most of the property which could have come into consideration is no longer available for restitution. Unless further information can be given it will be necessary to consider these claims as closed.”²⁷⁰ Of course there could be no question of entering the Property Control Warehouse. In a letter dated December 15 Varvasovszky asked Garrison to explain what sort of information was needed to keep the claim open.²⁷¹ But he received no answer.²⁷²

Starting from late 1947 the Hungarian Embassy in Washington and the Ministry of Foreign Affairs repeatedly protested to the U.S. govern-

ment against the decision to turn over to PCIRO the property stored in Salzburg.²⁷³ But Washington rejected these protests. The U.S. response of September 7, 1948 explained that as far as the Gold Train was concerned, "identification of ownership or specific national origins was practically impossible."²⁷⁴ Moreover, the U.S. government emphasized that it adhered to the restitution decision made in Paris, and that it had even extended the scope of the decision to include non-monetary gold which came under its control in Austria and which it deemed unidentifiable, which included among other things the contents of the Gold Train.²⁷⁵

By June 1949 the Hungarian Embassy in Washington reckoned that there was only one chance to get any consideration for the contents of the Gold Train: to negotiate with the Joint.²⁷⁶ In July 1948 the Ministry of Finance sent a memorandum to the Allied Control Commission in Austria with a detailed description of the history of the Gold Train, the composition of its contents and the official position of the Hungarian government on the matter.²⁷⁷ ACC discussed the memorandum on July 23. The U.S., UK, and French delegates voted to reject the memorandum, in line with the reasoning of the U.S. delegate that the problem was to be dealt with exclusively by the U.S. authorities.²⁷⁸ The Soviet delegate acknowledged the rightfulness of the Hungarian position expressed in the memorandum. Nevertheless, this attempt of the Hungarian authorities failed, like all the others.

In May 1948 Hungarian government organizations even contacted the refugee organization, to explain that the origins of the contents of the Gold Train were far from being ambiguous, that, on the contrary, its owners were very specifically definable, and consequently the PCIRO was handling this property wrongfully (for the sake of being diplomatic this was put as: "erroneously").²⁷⁹ PCIRO answered that it did not make the decision, and was only managing the assets, so it was not competent to substantiate the Hungarian claim.²⁸⁰

Starting from the spring of 1946 the Jewish restitution mission created by Prime Minister's decree 5950/1946 tried to get confiscated Jewish assets returned to their rightful owners.²⁸¹ The Mission headed by Imre Reiner asked the Joint and the Jewish Agency for Palestine for help. The Joint representative's letter of May 1, 1947 emphasized that the organization was not involved either in the passing of the resolution of the Reparations Conference, or in the drafting of the Agreement of June 1946, therefore there was nothing it could do to change the decision of

the victorious powers.²⁸² The Hungarian government, which tried to use every possible channel to promote its interests, called upon Imre Reiner to firmly reject this position.²⁸³ Reiner said in a telegram sent to the Joint on October 26, 1947 that he could not accept the Joint's reasoning, and urged the Jewish organization to take steps to make sure that the assets of the Gold Train were returned to the Hungarian Jewish community.²⁸⁴ The answer dated November 12 stated that the Joint could not change the way in which the assets were to be used and distributed.²⁸⁵

The mission under Reiner's leadership tried to get in touch with the U.S. authorities directly. On February 21, 1947 it addressed a telegram to the U.S. and French governments, asking them to review the decision, and gave a detailed explanation of their position.²⁸⁶ In a letter dated May 19 the Second Secretary of the U.S. Embassy in Budapest said that returning the objects to their original owners was "impracticable."²⁸⁷ The letter stressed that 90 percent of consideration for property sold belonged to the Joint and the Jewish Agency, and consequently suggested that Reiner should contact these Jewish organizations. According to the letter of the Second Secretary dated November 12, 1947, the Embassy had "received and given careful and sympathetic consideration" to the mission's repeated request, but had nothing to add to the contents of the letter of May 19.²⁸⁸ The "seriousness" of U.S. intentions to negotiate is indicated by the very fact that it delegated to the Second Secretary of the Embassy the task of corresponding with the mission representing the remainder of Hungarian Jewry.

No more than a couple of thousand dollars of this property were ever returned to Hungary in a verifiable fashion. The story goes as follows: one of the survivors learned that his gold boxes had been sold at an auction in New York.²⁸⁹ H. H. had deposited his collection of 28 boxes on April 28 and May 1, 1944, in accordance with Prime Minister's decree 1600/1944. In November 1944 these items were released to the Hungarian Government Commissioner's Office in charge of Jewish property, and were taken on board of the Gold Train. Of this H. H. had such unchallengeable proof that IRO did not even object to paying back the amount raised at the auction from the sale of the boxes, nearly 13,000 dollars.²⁹⁰ As this incident proves, the original owners of some of the assets were personally identifiable, despite the U.S. reasoning which tried to deny it.

7. CRITIQUE OF U.S. RESTITUTION POLICY AND PRACTICE PURSUED IN RELATION TO THE GOLD TRAIN

The future of the assets found on the Gold Train was fundamentally influenced by the decision of the U.S. authorities to give a large part of the cargo into the refugee organization's management. An USFA-document of July 1948 explains the reasons behind the decision in detail.²⁹¹ Let us consider the arguments put forward by the U.S. army one by one:

a) "The contents of the train represented many thousand items of loot seized or obtained under duress from political, racial or religious refugees to the Nazi regime and its satellites government or nationals." So far the decision followed the instructions of the "Non-Monetary Gold Directive." This statement is based on historical fact.

b) "The property was so intermingled in transit that identification of ownership, if not impossible, was administratively impractical." As has been explained in detail above, the "Non-Monetary Gold Directive" recognized two criteria for the impossibility of identification: impossibility to identify the specific owner(s), and impossibility to determine the place of origin of an object. The document does not explain which the author had in mind when he declared the contents of the Gold Train unidentifiable, but it is clear from the letter of the Department of State to the U.S. Embassy in Budapest (July 27, 1948) that in the opinion of U.S. diplomacy both criteria (personal and national) were fulfilled.²⁹² In our opinion, the U.S. reasoning is completely wrong.

It would in fact have been possible to identify the original owners of many objects. This is something which the document itself acknowledges in effect, when it says that identification "if not impossible, was administratively impractical." This somewhat obscure wording was motivated by a very practical consideration. As it turns out from a document from 1946, the identification procedure was habitually deemed impracticable whenever the costs of the ownership verification process exceeded the value of the item in question.²⁹³ So even if it was clear who a specific item belonged to, owners or their heirs were not to be allowed to get back their rightful property if it would have been too costly for the U.S. authorities to verify ownership—at least theoretically speaking. In practical terms the situation was even worse than that, because no investigation whatsoever took place into the contents of the Gold Train to at least try to compare the value of individual items with the costs of the identification pro-

cess. For years the U.S. authorities in charge of the property were not able (or simply did not want) to draw up a more or less precise inventory.

While—as it has already been mentioned—Toldy burnt many accompanying documents still in Hungary during the sorting process, many lists with names, addresses and envelopes with a description of their contents still survived intact. (These included, for instance, documents relating to the wagon arriving from Szombathely to Brennbergbánya at the last minute. There was no time to process its contents, so it was simply added on to the train untouched.) This way quite a few lists and envelopes reached the Americans, as two officers in charge of safekeeping them, Lieutenant Colonel Heller and Captain Back, attested in a memorandum of September 1945.²⁹⁴ These two officers recorded that the lists with names were stored separately at the Salzburg Property Control Warehouse, specifically because they could be used for identification purposes. They also recorded the circumstances of finding items when drawing up a rough and approximate inventory during the off-loading of the train: they found papers and envelopes scattered around the 24 wagons.²⁹⁵

We found only one clue as to what happened later on to these lists. On February 19, 1946 certain items from the Salzburg Property Control Warehouse were given to the United States Austrian Currency Section (USACS) for safekeeping. These included silver bullion, silver coins, and “4 boxes of envelope.”²⁹⁶ Obviously an envelope is of no particularly value in itself. If these envelopes merited special safekeeping due to their physical content, then it would have surely been recorded on a receipt of acceptance. So clearly these envelopes carried particularly valuable information instead. These must have been the very papers that were found by U.S. military personnel on the Gold Train. We do not know whether the lists reached USACS at all, and it is not clear what happened to the envelopes which did, either. In November 1947 the USAC was certainly in charge of safekeeping the documents. According to a contemporary memorandum “[the] four boxes of envelopes . . . will be disposed of at a later date.”²⁹⁷ A U.S. memorandum from 1967, written for the Hungarian authorities about Washington’s position concerning the Gold Train, laconically declares: “It was also during the period March 30 to July 13 1945 that documentation relating to ownership of individual items of property was lost.”²⁹⁸ This statement does not even try to deny the existence of documents which could have been used to identify individual items. Yet, the same statement very directly and erroneously dates the disappearance of these documents to the period when the train was

guarded jointly by Hungarian and U.S. personnel, when we know that Heller and Back in fact separated the lists and envelopes at the Salzburg Property Control Warehouse a few months later. But this was a very convenient position for the U.S. government to take: even if there had been any documentation indicating the original owners, it was lost, and during the very period when Hungarians were too involved in guarding the train; ergo, the Hungarians were at least partially to blame for the impossibility of identifying the owners.

Documentation relating to high-ranking officers' claims also indicates that often it would have been easy to identify the original proprietor. (For example, on October 24, 1945 some high-ranking artillery officers from Division 42 picked up a wardrobe with the name Henrik Gergey inscribed on it.²⁹⁹ On September 27, 1945 a set of silver was released to Brigadier General Ladue from the Property Control Warehouse, and it was unambiguously the property of someone called Károly Arany.³⁰⁰) Valuables taken to the USA from the Gold Train during the 1950s and later returned to Europe included a set of silverware which somewhat belonged to a certain "Klein M. Budapest VII Síp" according to the engraving on the box.³⁰¹

The aforementioned affair with the boxes—when a Hungarian survivor by the name of H. H. recognized his own gold boxes being auctioned, and presented proof of ownership thereof, in consequence of which he received at least part of the consideration of these items—proves the unsustainability of the whole concept that it was impossible to identify specific owners.

There is more, though indirect evidence to indicate that many objects could have been identified. On December 30, 1948 the Paris office of the American Jewish Joint Distribution Committee sent a letter to the organization's New York headquarters.³⁰² A staff member of the Joint in Paris claimed that the valuables originating from the Gold Train and restituted to Hungary by the French government (see below) included at least 200 items that were identifiable by name and address. If we take into account that the minority of the valuables from the Gold Train that were transported by the Toldy convoy to the West fell under French jurisdiction, then the conclusion logically follows that the far greater quantity that ended up with the Americans must also have contained items that could be measured in hundreds and could be unambiguously identified. It is beyond any doubt that the original owners of the vast majority of items could not be identified, yet, it is a questionable position to assert that even

those items that could be identified could not be returned to their rightful owners or their heirs.

The situation was similar as far as “the national criteria of identification” were concerned. László Avar and István Mingovits shed light on the origins of the valuables of the Gold Train in their testimony in May 1945. The American authorities recorded the contents of the train in the property register as having Hungarian origins.³⁰³ As has already been mentioned, in June 1946 General Tate wrote the following in his own handwriting on a document relating to the Werfen Train: “There is evidence this property belongs to Hungarian Jews.”³⁰⁴ The Department of State was not ignorant of the facts, either. As a confidential internal memorandum on foreign affairs put it: “Delivery to the IGCR under Article 8 [of the Reparation Agreement—G. K.—Z.V] is inappropriate because *the origin of this property is known* [italics ours —G. K.—Z. V.]. Since the property belonged to Hungarian Jews, it can and should be devoted specifically to the rehabilitation of Hungarian Jews rather than to the more general purposes specified pursuant to Article 8.”³⁰⁵ The already quoted ordinance of the Department of State from July 1947 argued that it was impossible to identify the “national origin” of items due to changes on the territory of Hungary. The Department of State summarized the same argument used elsewhere, according to which valuables of Jewish origin got on the Gold Train not only from the territory of so-called Smaller Hungary exclusive of the territories annexed from it first in 1920 then in 1946, but also from Greater Hungary. As after the end of the Second World War certain parts of what used to be Greater Hungary became the territory of other countries (the Soviet Union, Czechoslovakia, Rumania, Yugoslavia)—so the argument goes—the contents of the train were “nationally unidentifiable.” U.S. diplomacy was perhaps right as far as the first part of the statement is concerned. But as far as we know at present (see above) the greater part of the train’s contents originated from Smaller Hungary. On the other hand, even if it is true that the rightful owners of the property were a clearly identifiable Hungarian Jewish community living in not one but several countries (or any remaining part thereof), this does not mean that such property could not be identified by the national criterion, as we know exactly which Jewish communities of which countries we are talking about. The question arises whether the U.S. authorities could have used a cross-border allocation principle instead of turning over the entire contents of the train to the refugee organization, thus flying in the face of any facts and information available to them.

c) "None of the individual items amounted to a large value, although the total value of the items was great."

As it is clear from the above, the value of individual items was irrelevant for the debate about what definition should be used (when the concept of "origin" and "form" clashed), yet, the "Non-Monetary Gold Directive" starts the definition of non-monetary gold by saying that it means "valuable personal property." While the U.S. reasoning stressed on the one hand that none of the individual items of the Gold Train amounted to a large value, on the other hand it defined them as non-monetary gold, flying in the face of this very directive. The expression "valuable" is highly relative anyway: the jewels, cut diamonds, gold bullion, gold coins, and several tons of silver objects found on the Gold Train must have been considered valuable in any case, so this statement does not stand up, either.

d) "The Hungarian [Restitution—G. K.—Z. V.] Mission did not substantiate its blanket claim..." As it was already explained, the Hungarian Jewish community and government tried to do everything in their power on dozens of occasions to make the United States alter its decision. The U.S. government would not talk directly to the Hungarian Jewish community representing the rightful owners of the contents of the Gold Train. Instead, the petitions, requests, and memoranda of Jewish organizations were answered by the Second Secretary of the U.S. Embassy in Budapest. We do not know what the U.S. decision-makers would have accepted as sufficient evidence about the origins of the train's contents if in their opinion original name lists, envelopes, and the testimonies of the Hungarian crew in 1945—based on which the entire history of the cargo could be reconstructed—and even very fragmentary U.S. inventories which repeatedly referred to these assets having Hungarian and Hungarian-Jewish origins did not qualify as sufficient evidence.

e) "During the time property was under the jurisdiction of this Headquarters [USFA—G. K.—Z. V.] only two individual claims for identifiable property were received and both were satisfied." Here the document makes reference to the Markovits-Csillaghy affair. The statement that the U.S. authorities "satisfied" the claims of these families is not completely true. All the Markovits's received back was their clothes, and all the Csillaghy's were able to recover were two objects and their paintings. Moreover, the U.S. argument is rather cynical, because whoever formulated it must have had a clear understanding of the circumstances that prevented the original Jewish owners submitting their claim, which was not on account of having no interest in their property. Most of them had been

murdered, and it was the Americans who took good care to keep away from the property stored at the Salzburg Property Control Warehouse both Hungarian Jewish organizations representing war survivors and the Hungarian authorities who frequently tried to intervene in the matter.

f) "It was considered that the greatest number of persecutees would benefit from the proceeds of the property through PCIRO administration." As has already been pointed out, the Paris Reparations Conference defined the range of those eligible to a payment from the revenues raised by the refugee organization. Hungarian Jews were not included among them, so according to the decision they could not receive consideration for their own property. From 1945, however, the international Jewish organizations in charge of administering these revenues undoubtedly supported the remaining Hungarian Jewish community with significant amounts. This takes us to one of the most important aspects in the history of the Gold Train. Some important questions inevitably arise: did Jewish organizations (primarily the Joint) support Hungarian Jews because they had already paid for the support in the form of the contents of the Gold Train? If this is the case, were only those communities entitled to aid which had "pre-paid" for it in an indirect way? Are we saying that Hungarian Jews, still one of the largest groups of survivors of the destruction called the European Holocaust, received aid only because two-thirds of their members had not only been looted but also massacred? In other words, had there been no Gold Train, would there have been no support, either? In awareness of the noble intentions that created the Joint, we can readily answer these questions negatively. American private individuals who represented a lion's share of donations paid large amounts to the Joint regardless of the survivors of which European Jewish community and of what economic status would be supported with their money. German, Polish, and Czech Jews received aid in the postwar era not because their property once looted by the Nazis and the quisling governments did survive and was, however indirectly, turned over to the Jewish organizations financing the aid schemes. The same goes for Hungary as well. In our opinion, the aid, which guaranteed the survival of the Hungarian Jewish community during the period of Communist dictatorship, cannot be treated as "reparation" paid for the contents of the Gold Train. Consequently, no direct correlation can be established between the wrongful withholding of the treasure of the Gold Train and the generous support paid during the years of Stalinist Communism. It was not the responsibility of the corporations and private individuals who financed the U.S.

Jewish organizations to “repair” the material and moral damage caused by the erroneous decisions of the U.S. authorities, which were based on self-contradiction and obvious untruth.

g) “Apprehension that the property would fall in hands of the Soviet if returned to Hungary.” It needs to be pointed out that it is never a good idea to confuse theoretical and pragmatic arguments, because one can undermine the other. Seemingly U.S. diplomacy was right, because the Hungarian political regime did misappropriate property that was returned to Hungary in April 1948 from Paris (see below). But the truthfulness of this assertion becomes strongly questionable if we consider that up until then (in the period before the Communist takeover in 1948) the state return restituted property of Jewish origins to its rightful owners in many cases. Many of the art treasures returned to Hungary on December 22, 1946 and April 22, 1947 did find their way back to their original (Jewish and non-Jewish) owners during the first half of the following year.³⁰⁶ The U.S. authorities also had a good example in front of them: the gold treasure of the Hungarian National Bank was restituted on August 6, 1946 without it being seized by the occupant Soviet authorities. It was only in July 1947 that the Soviets announced to the Hungarian government their claims via the Allied Control Commission and even then exclusively for the remaining property of the Jewish population of Carpatho-Ruthenia.³⁰⁷ In the light of what happened to the other valuables restituted to Hungary, in our opinion it is unlikely that the occupying forces would have seized the contents of the Gold Train, had they been restituted together with the gold treasure of the National Bank or the art treasures.

This does not mean, of course, that the new Hungarian authorities did return all the valuables to their individual owners or even to Hungarian Jewish organizations. In July 1946 Prime Minister’s decree 8400/1946 came into force, according to which any foreign currency, gold, and securities of foreign issue had to be deposited with the Hungarian National Bank in the form of blocked deposits. At the same time, the decree did not cover precious stones and gold jewels or personal or church ceremonial regalia weighing no more than 500 grams.³⁰⁸ Even so, the owners could still access their gold and foreign currency by selling to the Hungarian National Bank items falling under the reporting obligation. So there were no major legal obstacles preventing survivors or their heirs from keeping their property or receiving compensation for it, at least in part. But to return to the U.S. concerns, not even more stringent

legislation would have been equal to that the occupying Soviet authorities in 1946–47 would have laid their hands on the property in question. So we can safely say that in the two to two-and-a-half years following May 1945 there were far more arguments against the likelihood of U.S. concerns becoming reality than supporting such a possibility, especially as Hungarian government organizations actually represented a greater threat to returning restituted property to their owners than the occupying Soviets did.

Let us examine once again the fundamental U.S. arguments and their weaknesses:

– *The treasure could not be identified in terms of national and personal origins.* U.S. decision-makers made this assertion despite the history of the Gold Train being known even to the highest U.S. command levels. The responsible officials had written documents available to them, proving clearly and beyond any doubt that the contents of the Gold Train belonged to Hungarian Jewish owners (who could often be personally identified).

– *Hungarian survivors would benefit from the revenues from the sale of the property.* On the contrary, the relevant clauses of the Reparations Agreement did not cover Hungarian Jewish survivors, even though international Jewish organizations contributed significant amounts—coming from other sources and intended for other purposes—to revive the Hungarian Jewish community after the end of the war.

– *Even if the contents of the Gold Train were to be restituted, the Soviet occupant forces would lay their hands on the property.* As it was pointed out above, this concern was unjustifiable up to 1948.

Even though the memorandum analyzed above is silent on this, the U.S. decision had yet another very problematic aspect. As we have seen, according to Part I, Article 8, Paragraph A of the Paris Reparations Agreement, any non-monetary gold found in Germany had to be spent on assisting displaced persons. But the Gold Train came under U.S. control on the territory of Austria. Despite protests from French and British diplomacy, the U.S. authorities arbitrarily extended the definition of non-monetary gold (the “Non-Monetary Gold Directive”) and the scope of the decision to include valuables found in Austria as well, and by doing so they violated the “territorial principle” and came into conflict with the Reparations Agreement.³⁰⁹ At the same time, as we have pointed out in connection with the fate of foreign currency transported on the Gold Train, the gold coins, which pursuant to the April 1947 decision of the

State-War-Navy Coordinating Committee should have been transferred to the GP, were turned over to the refugee organization instead, by reference to the "territorial principle." Had we known for sure that this is what happened to gold bullion too, then we could draw the conclusion that the inconsistency of the U.S. authorities was in fact deeply consistent, in other words, that they always used the "territorial principle" in the way it happened to suit them, namely to justify transferring a given group of assets to the refugee organization instead of returning them to the original owners or their heirs, or to Hungarian Jewish organizations for that matter. But as we cannot be sure that the gold bullion too was given into the PCIRO's management, all we can say is that the U.S. authorities decided the fate of this property by ignoring the opinion of their allies, often in an ad-hoc manner, and took steps which contradicted even their own declared policy. The decision to turn over the contents of the Gold Train to the refugee organization for property control violated not only the interests of the rightful owners and their heirs, but was also in conflict with the relevant effective international agreements and often the U.S.'s own position.

It is even more difficult to justify the U.S. decision that turned over the church ceremonial regalia found on the Gold Train not to the Hungarian Jewish religious community, but to its Austrian counterpart instead. The responsible officials knew very well where the three tons of valuables had originated from. Not even the already discussed principle of "impossibility of identification by national origin" applied to objects originating from Greater Hungary could sufficiently justify the U.S. decision. It would have been distorted logic to say: "We have three tons of cultic objects here. Some of them originated from Smaller Hungary, while others from Transylvania, Slovakia, Carpatho-Ruthenia and Yugoslavia. So let's give it all to the Austrians." Yet, apparently this is exactly what happened.

Even less justifiable is the decision made in the 1950s concerning property turned over to the Austrian government. This measure was in line with the restitution policy which the U.S. pursued from 1948, and which essentially said that nothing would be restituted to Hungary because of it being a country behind the Iron Curtain. Consequently all restitution matters with a Hungarian aspect were delegated to Austria, despite the knowledge that doing so was equivalent to having the restitution process frozen: Austria, a country declared "Hitler's number one victim," greatly benefited from the transportation of Hungarian Jewish

and non-Jewish wealth from Hungary towards the end of the war, so this effectively sabotaged restitution altogether.

Another important question relates to claims made by high-ranking officers of the U.S. army, who clearly carried responsibility for the disappearance without trace of some of the property of Hungarian Jews: whether they were acting deliberately or accidentally, it is a reality that the constant personnel changes ordered by the responsible officials prevented the Property Control Officer, who was responsible for the valuables in question in the literal sense of the word, from exercising effective control and keeping appropriate records of the items claimed. While higher levels in the armed services were aware of the gravity of the situation, no effective investigation was ever conducted to find out the location of particular objects or who was ultimately responsible for the disappearance of many items. The only investigation that did take place was restricted to reprimanding the adjutants and other subordinates of high-ranking officers, even though they were only instrumental to the claims. Not even mentioning that, of course, there were those privates who broke into the Property Control Warehouse to "claim" some of the valuables for themselves in the only way they could, and who were sentenced to several years of forced labor. But no one looked into the responsibility of the "real claimants," the generals.

It is interesting to point out the negligence which the U.S. authorities demonstrated in handling the contents of the Gold Train. They never drew up an itemized inventory, so the U.S. army effectively never knew exactly what it had charge of. It is clear from the above that some perishable objects exposed to deterioration (fur and carpets) were indeed destroyed by poor storage conditions. The higher U.S. authorities bore responsibility in that regard as well.

As far as the property of the Hungarian state and the art treasures are concerned, the U.S. undoubtedly pursued a positive restitution policy, because, as has already been pointed out, the decisive majority of assets belonging to the Hungarian National Bank from the contents of the train were restituted by the U.S. authorities, and they acted likewise in relation to the majority of the art treasures that fell under their control. But their policy and practice regarding the Gold Train was fundamentally negative in relation to the original owners of the property and their heirs. That international Jewish organizations channeled back to Hungary significant amounts of aid in the form of cash and commodities regardless of the above was wholly unrelated to international agreements. Many items

were irrecoverably lost due to the actions of the U.S. military authorities. At the same time it is beyond dispute that when compared to the behavior of the Soviet troops and the corresponding authorities that came to occupy and subsequently loot Hungary, the policies of the U.S. could be described as positive, inasmuch as they dedicated the contents of the Gold Train to aid Jewish deportees and other displaced persons, albeit mostly of non-Hungarian origin, and to promoting the recovery of—mostly non-Hungarian—Jewish religious communities. In contrast with this, the Red Army simply took away any Hungarian Jewish assets it could find, wherever and whenever it could;³¹⁰ moreover, in the summer of 1947 the Soviets even demanded reparation for the confiscated property of Hungarian Jews living in Carpatho-Ruthenia, in all likelihood none of which was ever returned to the surviving owners (see above).

8. THE FATE OF THE TREASURE THAT FELL UNDER FRENCH CONTROL

As soon as the front line moved on, political organizing started on the territory of Hungary under Soviet army occupation from the fall of 1944. In early December 1944 left-wing and democratic political parties in Szeged (South-East Hungary) created the Hungarian National Independence Front. This was the political basis of the Provisional National Government created at the end of December, which signed the armistice agreement on January 20, 1945 in Moscow. The treaty declared, among other things, that an Allied Control Commission (ACC) should be set up to regulate and control the implementation of the armistice agreement. The ACC included representatives of the USA, Great Britain, and the Soviet Union, and was chaired by Marshal K. J. Voroshilov. The Anglo-Saxon powers were purely formally represented, because as a result of the Red Army occupation of Hungary the ACC was fully under Bolshevik influence. Given its broad foreign and domestic political powers, the Soviet-dominated ACC had a major impact on events unfolding in Hungary.

The National Assembly elections held in November 1945 resulted in the landslide victory (57.03 percent) of the Independent Smallholder Party (FKGP—Független Kisgazdapárt). The FKGP was a political party amalgamating several political groups, from left-wing intellectuals, through members of the wealthy, small, and middle peasantry, to right-wing groups on good terms with large capitalists and the Catholic Church. Despite the FKGP's great victory, the ACC used its influence to

set up a government with strong Communist-Social Democratic presence, thus ignoring the power structure reflected in the outcome of the elections. The country's political-economic reconstruction was taking place amidst intensifying power struggles. The political scene was characterized by the gradual advancement of the Communist party under the shadow of the Soviet military presence.

In the meantime, the rapidly accelerating inflation had been halted, the country was being rebuilt with great dynamism, and a Peace Treaty was finally signed on February 10, 1947. The U.S. government made a significant contribution to the country's economic stabilization in 1946 and to the introduction of a new stable national currency, the forint, by restituting (as mentioned several times above) the gold reserve of the Hungarian National Bank in the summer of 1946, which had been evacuated to Austria during the last couple of months of the war. A seemingly consolidating public scene came under increasing pressure from the Communist party's more or less openly admitted ambition to attain single-party dominance. Communists under Mátyás Rákosi's leadership occupied key positions in the country's economic and police administration, and acting on guidance and support from Moscow used their influence to intimidate or coerce their political rivals into external or internal emigration, yet even so they needed to use fraud to win the elections in August 1947. By 1948–1949 the Communist political turn-around was practically completed, and a total Communist dictatorship controlled directly from Moscow and reaching into every sphere of life started to develop.

This was the political-economic background to the restitution of the contents of the Gold Train from France. The first transport arrived in Budapest on December 29, 1946.³¹¹ Customs and excise officer Sándor Ercse, one of Toldy's people, was asked by his boss back in Hallein, to look after 250 gold coins and two gold bullion.³¹² Ercse buried the valuables, and after his liberation from a French POW camp (where according to his own account he had been beaten by French soldiers looking for the treasure)³¹³ he returned to the scene to dig up the items.³¹⁴ In early October 1946 Ercse contacted István Révész, head of the Hungarian Government Commissioner's Office responsible for Allied occupation zones, to give him 2 gold bullion with "G. A. Scheidt, Bp. 999" sign on it and weighing 1 kilogram each, plus 250 gold coins (227 French 21-franc gold pieces, 14 Belgian 20-franc gold pieces, 8 Italian 20-lira gold pieces, and one Tunisian 20-franc gold piece.)³¹⁵ Révész thought that the valuables would easily go astray if he were to send them back to Hungary using the offi-

cial channels, so he asked his secretary to take the assets to Vienna instead. On October 19, 1946 she delivered all the gold to the Hungarian Chief Consulate in Vienna.³¹⁶ The valuables, 3.5 kilograms of gold in total, arrived in Budapest on December 29, 1946.³¹⁷

On October 30, 1946 the French restitution organization in Austria responsible for valuables under French army control admitted that these items were the property of Hungarian Jews.³¹⁸ In spite of this, the Hungarian government official making inquiries with the French authorities in September 1947 was informed by the French Ministry of Foreign Affairs that the items evacuated to Paris had originated from France and not from Hungary, allegedly being the property of French Jews deported to Hungary earlier on.³¹⁹

After having to abandon this position as not being wholly supported by the facts—to put it mildly—the French government's first preference was to turn over the valuables to the IRO,³²⁰ but it changed its mind as a result of negotiations with the Hungarian authorities (during which the Hungarian party presented documentary evidence to support its claim)³²¹ and the French government did reconstitute the valuables in its possession. The decision may have been significantly influenced by failure to extend the scope of Part I, Article 8 of the Reparations Agreement of 1945 to include displaced persons of French nationality; in other words, in the new situation France was no longer motivated to maximize funds set up to aid displaced persons.³²² In the second half of 1947 a decision was made in Paris to return to Hungary the French-controlled part of the contents of the Gold Train.³²³

Pursuant to effective Hungarian legislation at the time, any identifiable items from the assets restituted by Paris, as long as anyone actually claimed them, should have been returned to their rightful owners or their heirs,³²⁴ while any non-identifiable and/or unclaimed items should have been turned over to the Országos Zsidó Helyreállítási Alap (National Jewish Rehabilitation Fund), an organization responsible for administering Jewish material legacy.³²⁵ But this is not what happened.

Pursuant to the French government's decision, a special Swiss Air flight from Paris on April 22, 1948³²⁶ transported to Budapest a gross weight of 1,778 kilograms of gold, precious stones, and other valuables packed in 29 cases (77 packages).³²⁷ Some of the items were "adorned" with the swastika or Arrow Cross symbol and the transport included some stamps from 1946 as well,³²⁸ suggesting that not all of the assets on the flight originated from the cases in question. A gross weight of 1,778 kilo-

grams translated into a net weight amounted to 1,275 kilograms and 344.7 grams of gold.³²⁹

The last transport carrying the French controlled contents of the Gold Train, including gold objects and jewelry weighing 12.629 kilograms, were restituted to Hungary in June 1948.³³⁰ They were presented to István Révész in Innsbruck on June 26, 1948 by Jean Vienot, the head of the restitution organization of the French Chief Commissariat in Austria.³³¹ 11 packages containing various objects³³² were brought to Budapest by Révész himself, packed in a suitcase.³³³

Further research will have to answer many more questions concerning the restitution of Hungarian Jewish-owned and non-Jewish-owned assets under French control. As has been already pointed out, the transport arriving back in Hungary in April 1948 contained items that were clearly not of Jewish origin: it is highly unlikely that Hungarian Jews would have owned jewels “ornamented” with the swastika or the Arrow Cross symbol, and the collection of stamps from 1946 could not have been confiscated in 1944. There could be two explanations for the confusion. According to one, the French authorities discovered soon after assembling the treasure scattered around by Toldy that a certain part of it had been kept by Austrian individuals. They conducted investigations into the affair and confiscated from arrested Austrians any commodities that were bought with money resulting from the sale of Jewish assets. This may be how collections of stamps which included pieces from 1946 ended up on the freight.³³⁴ But this does not fully explain how among other things jewels marked with the Arrow Cross symbol were included in the cargo. It may presume that the French military authorities held not only the Toldy treasure, but other assets of Hungarian Jewish and non-Jewish origins too, which they may have come by as a result of arresting Hungarian and German Nazis, persons accused of committing war crimes, and members of various SS organizations on the run and carrying items looted from Hungary. (There are other similar examples from the U.S. occupation zone of Austria.) It is also conceivable that the French authorities had in their charge the Jewish treasure that left Hungary with the Toldy convoy and was later hidden in the French occupation zone of Austria together with valuables from other sources (of non-Jewish origins), irrespective of their origin.

In early 1947 assets with a gross weight of 1,597 kilograms were taken to Paris. These included the entire “Hungarian Gold Fund,” meaning the pool of valuables originating from the Hungarian Jewish Gold

Train and concentrated by the French authorities in their occupation zone.³³⁵ Yet, in April 1948 jewels weighing 1,778 kilograms (gross weight) were taken from Paris to Hungary. So in the meantime another 181 kilograms were added to the valuables in Paris. Possibly this is when the Arrow Cross and Nazi objects became mixed with Hungarian Jewish property.

The nearly 300 kilogram weight difference between the Toldy treasure (gross weight: 2,000–2,100 kgs)³³⁶ and restituted items (gross weight: 1,778 kgs) is partly explained by the fact that—as it has been mentioned before—on April 30, 1945 Toldy entrusted six cases to the care of a businessman called Friedrich Westen and his brother Karl. The Westen brothers, like Toldy, were making for Switzerland but their plan fell through, so they decided to turn back from the frontier. The two then left three cases with SS-Sturmabführer (Major) Wilhelm Höttl, former Hungarian referent of Main Office VI of the RSHA (SD Ausland), deposited the remaining three cases with an old family friend, and generally tried to disentangle themselves from the whole story, which was beginning to cause them more and more problems. When this friend died, the three cases were returned to the Westen brothers, who started to sell their contents for money. Höttl buried one of the three cases entrusted to him, and sent the other two to Switzerland. Then the former secret agent was arrested by the U.S. authorities, and when he finally regained his freedom it turned out that the cases he buried were no longer to be found, and we still have no information about what happened to the valuables sent to Switzerland.³³⁷ All this was discovered by a French investigation launched in 1948–49 under pressure from the Hungarian authorities, after an investigation into the history of the Gold Train in Budapest discovered that no concrete information at all was available about the six cases turned over to the Westens. The French tracked down Höttl and Westen, who in October 1949 produced a package containing 16.75 kilograms of gold objects, probably the remainder of the treasure. The French took this package to Innsbruck, where it disappeared without trace in 1951 when the French authorities liquidated all Innsbruck deposits.³³⁸

A confidential U.S. document raises other interesting questions regarding the French restitution. In this document an agent responsible for surveying the French zone mentions, among other things, 3,600 kilograms of gold of Hungarian Jewish origins held by the French army in 1946.³³⁹ The Americans assumed that all this treasure originated from the Gold Train. But they were wrong, because the gross weight of the valu-

ables expropriated by Toldy from the train weighed from 2,000 to 2,100 kilograms, so this document must have been referring to other Hungarian Jewish and non-Jewish items in addition to the contents of the Gold Train. According to the Americans, some of the valuables had disappeared due to the “negligence or corruption” of certain French officers. This presupposition seems to be supported by information received from a Hungarian Jewish restitution delegate in Austria, who claimed that Toldy bribed several French soldiers in prison.³⁴⁰ The delegate thought that the occupying French authorities in Austria sent 800–900 kilograms of gold to Paris in late 1945, whereas in reality they held 1,500 kilograms of it. In February 1946, when another 9 cases from the Toldy treasure were found, they were sent to the French capital, but this transport did not include the 600–700 kilograms of gold missing from the first shipment.³⁴¹ Edit Barcsay, a Hungarian restitution delegate to Paris, noted that there were even some arrests made in the French army in connection with the Toldy affair.³⁴² Barcsay must have had in mind the so-called Franquin affair. First Lieutenant Marcell Franquin headed the French investigation into the Toldy treasure starting from July 1945. The First Lieutenant handled the valuables found in a rather generous manner, rewarding with various jewels those who assisted the investigation with useful hints. For this the French military court of Innsbruck gave him four years suspended prison sentence.³⁴³

In our estimate, the French authorities returned to Hungary the decisive majority of the assets expropriated from Hungarian Jews—originally included in the contents of the Gold Train and later acquired by the French occupying forces—doing so in two stages, on April 22 and June 26, 1948. However, as pointed out above, the scope of restitution was incomplete, inasmuch as some of the property had been stolen (probably by French soldiers), while other items were mishandled, whether deliberately or accidentally.

The three contingents of valuables restituted by the French (on December 29, 1946, April 22, 1948, and June 26, 1948) were aggregated by the Hungarian authorities, and then assessed and inventoried.³⁴⁴ The committee in charge of this job concluded that the transport included some non-Jewish-owned items as well, but that “the percentage ratio of items of other origin could not be determined within the total contingent of valuables, most of them in all likelihood expropriated from persons subject to mass persecution.”³⁴⁵ So not even the committee disputed that the vast majority of the material was property of Jewish origins.

For the reasons explained above, no property registers were available, consequently it was not possible to identify individual items, and, according to the document, “at most an attempt could have been made to identify items with a special distinguishing feature or marking.”³⁴⁶ From this it is clear that the committee did not dispute that an attempt at identification would have been possible in certain cases.

István Ries, the Hungarian Minister of Justice, said at a meeting on June 24, 1948 set up to discuss this issue that such items were subject to Prime Minister’s decree 24.390/1946, given that not all of them were of Jewish origin.³⁴⁷ This decree ruled that any non-identifiable assets had to be turned over to the Hungarian Treasury rather than to the National Jewish Rehabilitation Fund, and were to be transferred into Treasury ownership later on. According to Ries all of the items were unidentifiable, even though in the opinion of the committee responsible for evaluation and inventory-taking some of them could have been identified.³⁴⁸ Thereby the Minister of Justice ruled out any possibility of returning these assets to individual owners, while also excluding their transfer into collective ownership (that is, turning them over to the National Jewish Rehabilitation Fund), because in his opinion the entire treasure was subject to Prime Minister’s decree 24.390/1946, and so Treasury was its competent custodian. Even so, the Hungarian state should have observed Prime Minister’s decree 24.390/1946, ordering the publication of the list of restituted property. According to a memorandum of the Ministry of Justice, “this was not done at the time, in line with higher level instruction, based on the consideration that publishing the inventory of valuables in several volumes would have been impracticable in any case; moreover, announcing the global volume and value of these items would have had various undesirable consequences.” Now let us look once again at the government’s arguments:

- as the valuables transport comprised a smaller part of items definitely of non-Jewish-origins, the entire contingent needed to be removed from the scope of legislation governing the administration of items originating from Jewish owners;
- even though in the opinion of experts an attempt could have been made to identify specific items, the government deemed this impracticable;
- it was impracticable to enforce the relevant article of the decree, consequently the otherwise statutory obligation of publication was ignored.

These are obvious twists of logic. Yet, in late 1948 the Ministry of Finance published a notice in several newspapers, instead of making a detailed publication as required by legislation calling upon former owners to file their claims for restituted property. The notice, published in the November 12, 1948 issue of Hungarian daily *Magyar Nemzet*, read as follows: "During the restitution of property formerly seized and taken to the West by the Arrow Cross men and the Germans, some items were found..., the names of whose owners could be ascertained beyond any doubt by the receiving committee as part of the customs clearance process." Claimants were required to prove that they were indeed the original owners of these items. The announcement also declared that any items "the verifiable owners of which or their legal successors can no longer be found but were subject to persecution under the previous power regime on account of their racial origins or religion" would be ceded by the authorities to the National Jewish Rehabilitation Fund.

However, the claims received from original Jewish owners were never effectively processed,³⁴⁹ as most of the restituted material was indeed unidentifiable, and a significant part of the claims clearly referred to valuables that left Hungary forever as part of the valuables falling under U.S. control. So, as mentioned above, neither the physical valuables returned from Paris, nor their monetary value, were transferred to the National Jewish Rehabilitation Fund, despite the government's statutory obligation and promise to do so as announced in the newspapers.

On October 23, 1948 the committee created by Prime Minister's decree 24.309/1946 turned over the property to the Hungarian Ministry of Finance for management and safekeeping.³⁵⁰ Then a resolution of the Council of Ministers issued the Hungarian National Bank with the following mandate:

- 1) to convert pure gold and gold coins at the official exchange rate,
- 2) to sell abroad precious stones and valuables classified as fashion goods,
- 3) to melt down any valuables not classified as fashion goods (broken gold, etc.), as well as damaged fashion goods,
- 4) to credit any amount realized from the above in a blocked account named "special Finance Ministry bank account."³⁵¹

All these measures were subsequently carried out. The Ministry of Finance set up in May 1950 a four-member committee to implement the tasks described in point 3.³⁵² A company by the name of Artex was responsible for selling gold objects abroad, in addition to which some items

were sold in Hungary by the Watches and Jewelry Trading Co. (Óra-Éksz-
kereskedelmi Vállalat).³⁵³

To sum it up: the clearly politically motivated decisions of successive Hungarian governments gave preference to pragmatic interest over moral considerations, truth, and the spirit of their own laws.

9. THE VALUE OF THE CONTENTS OF THE GOLD TRAIN

Representatives of various Hungarian and foreign government organizations, and Jewish organizations have over the last few decades come up with widely different estimates of the total value of the contents of the Gold Train.

- István Mingovits, financial counselor, and chief financial officer in charge of the train, estimated the total value of the cargo at 100 million dollars;³⁵⁴
- László Varvasovszky, head of the Hungarian Restitution Mission in Vienna, was informed that the contents were worth 600,000 dollars;³⁵⁵
- Hungarian Jewish organizations estimated the contents of the Gold Train at nearly 10 million dollars;³⁵⁶
- according to yet another summary statistical report the contents of the train had a value somewhere in the range of 300–350 million dollars;³⁵⁷
- Viktor Schwartz, a delegate of the National Committee for Attending Deportees and the Budapest Joint's representative in Vienna, said in May 1946 that an international jewelers' committee set the total value of the assets at 200 million dollars. (U.S. documents bear no indication whatsoever of the actual existence of this committee.) Allegedly, U.S. officers later informed Schwartz that "what was found in the Salzburg region is worth only 70 million dollars";³⁵⁸
- in 1966 the Hungarian financial government estimated the value of the contents of the Gold Train at 6 million dollars.³⁵⁹

In summary, we can conclude that estimates of the value of the contents of the Gold Train ranged between 6 million and 3.5 billion dollars at current value (1 USD in 1945=10 USD in 2002).³⁶⁰ The existence of a nearly six-hundredfold difference between the minimum and maximum

figure amply illustrates how difficult it is to give a correct answer to the question about the total value of the train's cargo.

In the following we will attempt to reconstruct the total value of the contents of the Gold Train based on the incomplete and fragmentary information available to us. As such, it is inevitably only a rough estimate.

GOLD OBJECTS AND PRECIOUS STONES

As mentioned, during the sorting of valuables in Brennbergbánya, Árpád Toldy's staff filled 105 cases and 2 caskets with gold objects (bracelets, chains, watches, other jewelry, coins), precious stones and jewels set with precious stones.

Table 16: Contents of the cases filled by Árpád Toldy's staff³⁶¹

<i>Marking</i>	<i>Number of items</i>	<i>Average weight (kg)</i>	<i>Contents</i>
Ar. (=Gold)	41	45	Gold objects, bracelets, cigarette cases, chains, etc.
Ar. Óra (=Gold Watches)	35	45	Men's and women's gold wrist watches, gold pocket watches
Ar. Ékszer (=Gold Jewels)	18	35	Jewels set with semi-precious stones and gems
Briliáns (=Cut Diamonds)	8	38	Jewels set with precious stones and real pearls without setting.
Ar. Pénz (=Gold Money)	3	100	Miscellaneous coins and gold bullion
	2 iron caskets	4	Selected cut diamond jewels and real pearls

So the average total gross weight of the cases and the valuables they contained was 4,662 kilograms. Assuming that the average net (empty) weight of the containers (cases and iron caskets) was 10 kilograms, we find that the valuables weighed 3,592 kilograms (=4662 kg–1070 kg).³⁶²

In April 1948 most of the valuables held by the French were restituted, including gold jewels and precious stones with a gross weight of

1,778 kilograms. (These were made up predominantly, even if not fully, by Jewish items from the Gold Train.) The net weight of the contents of the transport was 1,275 kilograms and 344.7 grams: in round figures, 1,275 kilograms. In the summer of 1948, 12.5 kilograms of gold bullion and gold coins (the “Ercse-treasure,” see above) was restituted from the valuables evacuated from Hungary by Toldy and which never fell under French army control. The combined value of the two transports (1287.5 kilograms) was estimated by the Hungarian National Bank and the Ministry of Finance at 22,538,124 forints,³⁶³ or the equivalent of 2 million dollars.³⁶⁴ The total net weight of restituted assets amounted to nearly 36 percent of the net weight of the original contents (valuables of priority importance) of the train. Based on this, we calculate the value of the verified volume of gold and precious stones that were packed into cases in Brennbergbánya (equal to 100 percent) at approximately 5.5 million dollars, corresponding to nearly 55 million dollars at the 2002 exchange rate.

SILVER OBJECTS

The Gold Train was carrying 1,560 cases of silverware and 1 case of silver bullion (silver “ingots”). As silver objects were assorted in Brennbergbánya in the same way as gold and precious stones were, it seems likely that silver was also packed into so-called miner’s cases,³⁶⁵ as were the contents of the 107 cases and boxes of priority importance. Based on the average weight of the cases of valuables, we estimate the average gross total weight of the cases and the valuables they contained at a minimum of 30 kilograms. So the 1,561 cases full of silver must have had an average gross weight of 46,830 kilograms. By reducing this by the empty weight of the cases themselves (10 kg/case), the net weight of silver objects found on the Gold Train was approximately 31,220 kilograms. Assuming a price of 0.5 USD/ounce³⁶⁶ we get a value of 16 USD/kg. So the total value of silver objects works out at 499,520 dollars, corresponding to nearly 4,995,220 dollars today.

GLASS AND PORCELAIN, CARPETS, FUR AND PAINTINGS

Apart from gold, silver, and precious stones, glass and porcelain, carpets, furs and paintings also represented a significant value within the contents of the Gold Train. We have very few clues about the approximate value of these latter.

The collection of 300 Persian carpets included in the “Keleti-treasure” seized in 1944 and put on the Gold Train³⁶⁷ was worth 500,000 pengő in itself.³⁶⁸ This was the equivalent of approximately 100,000 dollars, so a particularly valuable Persian carpet was worth 333 dollars on average at 1944 prices.³⁶⁹ While it is certain that in addition to the Keleti-carpet other similarly valuable pieces also ended up on the train (such material was arriving from all over the country), these clearly did not account for a large part of the nearly 3,000 pieces in total. Even if we were to assume that such material represented up to one-fifth of the entire collection, special (Persian) carpets must have been worth at least 199,800 dollars. By adding to this carpets of inferior quality, fur, glass, porcelain and paintings, the value of the list comes to at least 400,000 dollars, corresponding to nearly 4 million dollars at current value. (In the absence of more specific information about the breakdown of the carpets and the value of glass, porcelain and paintings, this appears to be the absolute minimum.)

PAPER CURRENCIES

When the Gold Train was seized, László Avar handed over to the U.S. authorities a suitcase containing 44,639 USD, 52,360 CHF (=approx. 12,177 USD³⁷⁰), 84 GP, 10 Palestinian pounds, 66 CAD, 5 Swedish crowns, 15 marks and 260.484 Hungarian pengő (=approx. 52,000 USD³⁷¹).³⁷² The total value of currencies turned over to the refugee organization later on was 108,816 dollars, the equivalent of nearly 1,088,160 dollars at current value.

Table 17: Value of the contents of the Gold Train

<i>Sub-items</i>	<i>USD value in 1944–1946</i>	<i>USD value in 2002</i>
Gold objects, precious stones	5,500,000	55,000,000
Silver objects	499,520	4,995,200
Glass and porcelain, carpets, paintings	400,000	4,000,000
Paper currencies	108,816	1,088,160
Total	6,508,336	65,083,360

In the spring of 1947 the staff of the refugee organization and representatives of the army started to evaluate the assets turned over to the PCIRO for property control. The final amount worked out at 1,032,408

dollars.³⁷³ The joint committee examined, inventoried and evaluated far fewer items than the number taken into account by the above calculation. We have tried to determine the value of the entire contents of the Gold Train, from which the refugee organization never saw the items once seized by high-ranking officers, nor the paintings restituted to Hungary, Jewish and Catholic religious church regalia, and it is easily conceivable that it did not get the gold bullion, either. Needless to say, the valuables that fell under French control, that is, nearly one-third of the cases filled with gold, were also left out from the inventory drawn up by the committee. But this is not the only reason why their final total of little more than 1 million dollars is far less than our own calculations, or even than the estimate of Mingovits, Schwartz or the Hungarian Jewish organizations.

In the course of the transferring of the assets to the IGCR in May 1947 Captain Mackenzie and the representatives of the refugee organization agreed that they would evaluate items in bulk as a rule, based on their weight and/or number of items, "since a detailed examination, description and appraisal of each item would require a staff of three or four experts performing endless months of work," and to focus only on particularly valuable pieces.³⁷⁴ Accordingly, carpets were taken into account at 10 dollars each (or 3 percent of the average real price of valuable Persian carpets), whereas silver tableware was valued at 1 dollar for items of outstanding quality, and 75 cents for less exclusive items. Silver cigarette cases were estimated at 1 dollar each, regardless of their weight, condition or fair market value, and sometimes the same price tag was put on a teaspoon as on a silver decanter. Glass and porcelain (including expensive Dresden, Herend, Rosenthal and other pieces) was valued at 1 dollar per item, and fur was estimated at 800 dollars altogether.³⁷⁵

It should also be taken into account that in 1948 Hungarian financial experts estimated the 36 percent of all gold and precious stones on the train at 2 million dollars, by converting the final forint amount into dollars at the artificially high forint-dollar cross exchange rate set for the new Hungarian currency.

Obviously the estimate, which set the value of 64 percent of the particularly valuable items (gold and precious stones) and the majority of silver, porcelain, glass, carpets and fur at hardly more than 1 million dollars in total, was well below their real value. Our opinion is supported by the November 14, 1950 meeting of the American Jewish Joint Distribu-

tion Committee, which estimated its revenues from the Hungarian Gold Train at 1,867,017 dollars, meaning nearly two-thirds of its total revenues realized until that time (2,963,858 dollars).³⁷⁶ The sales process dragged on until the end of 1951, and some of the additional 1 million dollars raised from it probably also originated from the Gold Train.³⁷⁷

By looking at the photos in the New York auction catalogues,³⁷⁸ it is easy to get an idea of the supreme artistic quality of individual items received at a unit price, the particularly exclusive nature of the diamonds and precious stones mounted on jewels, and the resulting outstanding value of these objects.

In the absence of appropriate information about the value of particular jewels and other objects comprising various asset groups (the weight and carat number of precious stones, the nature of processing, and added artistic value beyond the weight of the precious metal used), we can only assume that these unknown factors made the total value of the contents of the Gold Train significantly higher again.

Having summarized these factors, and taking into account that our detailed calculation was trying to determine a minimum value, our conclusion is that the contents of the Gold Train were worth at a minimum 6.5 and at a maximum 13 million dollars at 1945 value.

10. THE HISTORIOGRAPHY OF THE GOLD TRAIN

Similarly to many other episodes involving economic loss and destruction, the story of the Gold Train was until recently considered something of marginal importance among writings about the Holocaust. We find only sporadic attempts to tell it in the press of the late 1940s, together with individual writings about it, but it never inspired authors to take a serious interest.

The Hungarian journalist Jenő Lévai devoted only a footnote to the Gold Train in his book published in 1946 entitled *Fekete könyv a magyar zsidóság szenvedéseiről* (Black Book on the Suffering of the Hungarian Jewry),³⁷⁹ and he paid no more attention to the subject in his book *Zsidósors Magyarországon* (Jewish Fate in Hungary), which was published two years later.³⁸⁰ But even these few lines contain very precise information about the number and contents of the valuables cases, and about the first phase of the fate which these valuables subsequently went through.

Randolph L. Braham, the Hungarian historian of Transylvanian origins living and working in the United States, in his huge and definitive synthesis on the Hungarian Holocaust devoted a couple of paragraphs to the Gold Train, mostly based on Lévai's work.³⁸¹ As long as he remains faithful to Lévai's text, Braham's information remains exact and reliable, but elsewhere he starts using personal recollections for describing what happened to the train thereafter, concluding for instance that "the American Government returned a considerable part of the identified assets" to Hungary.³⁸²

The first detailed analysis of the Gold Train was written by a non-Hungarian author. The U.S. author Kenneth D. Alford—who calls himself an amateur historian³⁸³—studied the sources on the subject in a manner so thorough as to put even professional historians to shame, yet his book *The Spoils of World War II* contains several errors. There are many mistakes particularly in that part of the book which covers Hungarian events. Apart from some general historical blunders (for example, claiming that after the Arrow-Cross takeover of *October 11* Eichmann had 300,000 Hungarian Jews deported)³⁸⁴ the book contains serious errors concerning the Gold Train as well. The book is problematic not so much due to the minor errors it contains (for instance presenting Toldy as the Minister of Finance, talking about the alleged involvement of the Gestapo in selecting the train's contents, or making mention of nine attacks which Alford claims were made on the train by the SS on the road between Budapest and Brennbergbánya)³⁸⁵ but due to a number of assertions seriously misrepresenting the history of the Gold Train. The author claims that the train stopped on the way from time to time, and railway personnel loaded it with the "treasures of ancient Hungarian towns."³⁸⁶ Moreover, the book devotes quite a lengthy description to the Markovits–Csillaghy episode, thereby creating the impression, however not deliberately, that the contents of the train were predominantly made up of non-Jewish assets. The book gives a much more precise description of the history of the assets which fell under U.S. control than of what happened in Hungary, since for the former the author could rely on his extensive collection of documents.

Over the last few years only a couple of articles have been published in Hungary about the Gold Train, and even these are usually imprecise and based on incomplete information, which moreover they interpret incorrectly.³⁸⁷ Among international publications particular mention should be made of the research report of the Presidential Advisory Com-

mission on Holocaust Assets in the United States (PCHA) published in 2000.³⁸⁸

The scope of the study of the Commission is far from being limited to the Gold Train, covering rather the restitution policy of the U.S. after the Second World War in general. While the report analyses a most impressive amount of information and presents the findings of thorough research, the section on Hungarian events and the analysis of the Gold Train is full of childish mistakes and misinterpretations. The reader cannot but be seriously puzzled about what the authors might have been thinking when they wrote that in 1941–1942: “Hundreds of Jews are sentenced to long prison terms for alleged sabotage. 50,000 Jews are sent to concentration camps.”³⁸⁹ These two sentences probably resulted from confusing internment and labor service—two phenomena which really existed—which is of course absolutely wrong. The authors of the report date the Kamenetz-Podolsk massacre to July 1941 instead of August 1941, and overestimate the number of those killed by nearly eight times when they talk about 125,000 victims.³⁹⁰

This is of course irrelevant as far as the history of the Gold Train is concerned, but it is indicative of how uninformed the authors are on Hungarian matters. (This is surprising, because Professor Braham’s monumental monograph, like many of his other essential publications about the Hungarian Holocaust, were first published in English and in the United States, and so are readily available to researchers with access to any major library.) Regrettably, sometimes not even the description of what happened to the Gold Train meets the standard which one would expect from historians conducting thorough research on the topic. As with Alford, minor errors bear no particular significance (for example, according to the report, the Gold Train departed to the West in December, and it was repeatedly looted on the way by Hungarian guards, German soldiers, and Austrian civilians, etc.³⁹¹). The cause of the real problem is a host of misinterpretations.

The study cites László Avar’s otherwise correct testimony, which he made in U.S. prison, namely that the train’s contents included Jewish assets, deposits of rural Hungarian banks, and the personal belongings of non-Jewish individuals who voluntarily put their property on the train in order to save it.³⁹² But the authors fail to mention that these rural bank deposits too originally belonged to Jewish owners, and that the train was carrying, apart from those of the railway crew, the valuables of approximately two dozen non-Jewish Hungarians (three families and five single

men). In comparison with the assets of hundreds of thousands of Hungarian Jews, the percentage ratio of these assets from the entire contents of the train was negligible. As the authors fail to mention these facts, the reader gets a distorted idea of the cargo of the train.

Page 148 of the study claims that the statistics it quotes about the valuables cases transported on the Gold Train is based on restitution applications submitted in Hungary. As far as it goes this statement is a historical fact, only the authors fail to mention that these Hungarian claims were not just taken from thin air but were based on the authentic testimonies, notes, and protocols of the crew of the Gold Train, in other words on documents whose credibility is beyond any doubt. (It should be noted that these sources were not unknown to the Commission, either.) However, the relevant sentence merely suggests that the Hungarian Jewish and government organizations put those data on to the table.

The conclusion ending the relevant part of the report minimizes the responsibility of U.S. authorities in the expropriation of the valuables found on the train. "The Property Control Division in Austria proved to be an imperfect guardian of victims' assets, with lax security, high personal turnover, and poor record keeping."³⁹³ In reality there was much more to this. High-ranking U.S. officers claimed luxury items from the property of Hungarian Jews despite being aware of their origins (something, which is not denied even by the report.)³⁹⁴ The primary responsibility for the disappearance of a part of Hungarian Jewish property did not lie with the Property Control Division, but much more with high-ranking U.S. officers who ordered constant redeployments, ignored the requests of Property Control Officers, and finally conducted a showcase investigation to prevent having to return these items.

The authors of the report mention but fail to comment on arguments³⁹⁵ brought together in previous pages of the present book which prove that the U.S. decision amounting to a refusal to restitute the assets found on the Gold Train was based on unsustainable assertions. The report is also silent about the fate of the religious regalia found on the Gold Train and donated to religious communities in Austria, or the assets taken to the military warehouse in Richmond and subsequently turned over to the Austrian government. To summarize, we can conclude that the PCHA Report is not only imprecise, but tries systematically to minimize the responsibility of the U.S. authorities, despite their decisive role in the carving up and disappearance of the property of Hungarian Jews.

As we mentioned in the introduction, we here present the reader with the revised and expanded version of a book that was first published in Hungarian in Budapest in the summer of 2001. More than a year after its publication, Ronald Zweig's *The Gold Train* came out.³⁹⁶ It is obvious that the Israeli author drew on extensive archive and library research: he is generally precise with the data, most of his conclusions are sound and irrefutable, his view of the story is not distorted in any significant way, and most of his conclusions are acceptable. At the same time, the work often bears the stamp of complete unfamiliarity with Hungarian archival sources, with local and international scholarship, with a detailed knowledge of the Hungarian Holocaust, and with the Holocaust in general—and what is more, a complete lack of knowledge of the Hungarian language, indispensable to a treatment of this subject. In the opening forty pages of his book, he attempts a history of the Horthy period by relying on the work of Professor Braham and others, yet there is much imprecision and numerous errors of greater or lesser scope. He shows a serious ignorance of the political and social history of the inter-war period,³⁹⁷ of fundamental demographic facts,³⁹⁸ and of the events of 1944.³⁹⁹

It is an even more significant problem that the author struggles with a lack of information sometimes even within his more immediate subject, the robbing of the Jews and the story of the Gold Train. This may be attributed to his ignorance of the language, which keeps him from most of the relevant Hungarian sources.⁴⁰⁰ His tendentious errors concerning the story of the shipments lead Zweig astray about the division of assets between the Toldy convoy and the train. Though the author is familiar with the documents on the composition of the various parts of the shipment, and presents these, he nonetheless scarcely interprets them, if at all. It is apparently insignificant to identify the individual so-called valuables cases that contained objects of special worth, yet Zweig, in failing to do this, draws the erroneous conclusion that most of the most important valuables went to the Toldy convoy.⁴⁰¹ There are many Hungarian documents, alluded to above, that would have dispelled this error, and made it clear to Zweig that more than just insignificant objects came into the hands of the American army.

This leads to perhaps the most serious error in Zweig's book: he constantly minimizes the responsibility of the American army and political leadership regarding the Gold Train, and their frequently unethical approach to it, while leaving virtually unmentioned that, with American participation, Hungarian Jews lost many times the value of the Gold Train

in the years after the war, when restorations were undermined for political reasons. Zweig also treats the issue of high officers' claims as only a minor question. He is undoubtedly right to say that the luxury demands of certain high-ranking officers in the American army that occupied Austria were an insignificant part of the entire shipment, but he ignores the questions of principle involved. Most likely he is unfamiliar with the documents of the previously-mentioned internal Mayes investigation as well.

The book's errors and gaps seem tendentious, resulting in a white-washing of American responsibility. As we have seen, not all the documents containing the names of particular property owners have been destroyed, contrary to the author's assertion.⁴⁰² Nor is it true that Hungarians exclusively guarded the train at Böckstein;⁴⁰³ American soldiers were also there, and it was naturally they who directed the Hungarian unit. Either the author is unfamiliar with the suspicious circumstances (previously outlined in detail) of the March, 1947 transfer of the Becher valuables, or he deliberately passes over the issue; neither option speaks well for the book. (His presentation of the Becher story in other respects leaves much to be desired. It is surprising that Zweig is unfamiliar with even the basic facts of the case.⁴⁰⁴) Zweig's work would have been greatly improved had he referred to the monograph in Hungarian that serves as basis for this book, and appeared well over a year before his own.⁴⁰⁵

Up until now, various authors have described the history of the Gold Train either marginally or with numerous misinterpretations of imprecise information. Our objective in writing this book was to change this situation. At the same time we stress that further research is bound to reveal new information regarding the fate of individual categories of property and the details and circumstances of specific events.

NOTES

- 1 Minister of Finance's decree 147.310/1944 VI on the taking over of the Jews' movables seized by the administrative authorities and the inventory of the abandoned Jewish apartments, shops, warehouses. Appendix to Document 4/1944 of May 15 1944, USHMM 1997. A. 0294, reel 144.
- 2 Report of Sándor Ercse. December 1946, MOL XXIX-L-2-r, fascicle 73/36-40-13. (Ercse was a customs and excise commissioner, and one of those in charge of selecting the contents of the Gold Train.)
- 3 For the protocols of delivery and acceptance see MOL XXIX-L-2-r, fascicle 73/36-40-12.

- 4 Letters of the Hungarian Postal Savings Bank to the Ministry of Finance, July 21, 1947; August 19, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-11 and August 2 1946, MOL XXIX-L-2-r, fascicle 33.
- 5 István Jeszenőy's report. October 5, 1946, MOL XXIX-L-2-r, fascicle 73/36-40-12. (Jeszenőy was a financial auditor, and one of the financial officers traveling on the Gold Train.)
- 6 Report of the State Police Political Department. January 7, 1946, BFL Nb. 293/1946 Szálasi-case, roll 136.
- 7 The testimony of Béla Tövisi at the State Police Political Department. January 5, 1946, BFL Nb. 293/1946 Szálasi-case, roll 136.
- 8 The interrogation of K. J. at the State Police Political Department. January 5, 1946, BFL Nb. 293/1946 Szálasi-case, roll 136. The interrogation of K. J. June 16, 1945, BFL Nb. 293/1946 Szálasi-case, roll 136.
- 9 Ibid.
- 10 The testimony of Péter Hain to the State Police Political Department. November 17, 1945, BFL Nb. 293/1946 Szálasi-case, roll 136.
- 11 Report of the State Police Political Department. January 7, 1946, BFL Nb. 293/1946 Szálasi-case, roll 136.
- 12 The interrogation of K. J. in the State Police Political Department. January 7, 1946, BFL Nb. 293/1946 Szálasi-case, roll 136.
- 13 Report of the State Police Political Department. January 7, 1946, BFL Nb. 293/1946 Szálasi-case, roll 136.
- 14 Ibid.
- 15 Letters of the Hungarian Postal Savings Bank to the Ministry of Finance. July 21, 1947; August 19, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-11 and August 2 1946, MOL XXIX-L-2-r, fascicle 33.
- 16 Sándor Ercse's report. December 1946, MOL XXIX-L-2-r, fascicle 73/36-40-13.
- 17 Ferenc Szálasi's testimony. December 15, 1945, BFL 293/1946 Szálasi-case, roll 134. (Redacted edition of the Szálasi-case with footnotes and annotations: Karsai, E., and L. Karsai 1988.)
- 18 Gábor Vajna, *Zsidókérdés* (Jewish Question), BFL 293/1946, Szálasi-case, roll 136, appendix 2, 3.
- 19 After the German occupation major personnel changes took place in top and middle-level public administration positions, meaning partly dismissals dictated by German interests, and partly voluntary resignations. Resignation was how Baron János Jósika (the Prefect of Szilágy county) and Count Béla Bethlen (the Prefect of Szolnok-Doboka county) protested against the new political developments. Tivadar Homonnay, the Mayor of Budapest, and Károly Szendy, his Deputy, also resigned. By the beginning of May, 29 out of 41 Prefects were newcomers. Ránki 1978, 164.
- 20 Braham 1997, 660.
- 21 Emil Csitáry's testimony. February 8, 1947, BFL Nb. XV. 3470/46.; Dr. Lajos Kerekes's testimony, BFL Nb. XV. 3470/46.
- 22 Testimonies in the Árpád Toldy-case, BFL Nb. XV. 3470/46.
- 23 László Avar's report. October 25, 1945, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 24 Ibid.
- 25 László Avar's testimony. May 22, 1946, BFL Nb. XV. 3470/46.

- 26 Ernő Z. Kiss's testimony. October 29, 1945, TH V-38.734. We suspect that this is where the contents of the Jewish valuables transport turned over by the Sopron branch of Hungarian General Credit Bank (Magyar Általános Hitelbank) to the Government Commissioner's Office on December 23, 1944 were taken. Hungarian General Credit Bank's report to the Government Commissioner's Office for Abandoned Property. July 2, 1946, MOL XXIX-L-2-r, fascicle 73/36-40-12. On January 11 Brennbergbánya was definitely the destination of confiscated Jewish assets taken from the Sopron Financial Directorate, among other things. Letter from the Győr Financial Directorate to the Finance Ministry. September 20, 1945, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 27 Report of Ministry of Finance Department of Hungarian Assets Taken Abroad to the Minister of Finance on the compilation made by László Avar and István Mingovits. December 3, 1948, MOL XXIX-L-2-r, fascicle 73/36-40-12. For the number and weight of individual cases see appendix 1.
- 28 Ibid.
- 29 Sándor Ercse's report. December 1946, MOL XXIX-L-2-r, fascicle 73/36-40-13.
- 30 István Mingovits's testimony. October 5, 1945, TH V-38.734.
- 31 Gábor Vajna, *Zsidókérdés* (Jewish Question), BFL Szálasi-case 293/1946, roll 136, appendix 2, p.10.
- 32 Ibid.
- 33 Toldy-Boden Agreement. March 28, 1945, YVA M 61/35.
- 34 László Avar's and István Mingovits's report. August 2, 1945, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 35 Sándor Ercse's report. December 1946, MOL XXIX-L-2-r, fascicle 73/36-40-13.
- 36 For example carpets and paintings from the Beszterce, Csíkszereda, Zilah, Szatmárnémeti, Dés, Nagyváradi and Kolozsvár Financial Directorates (Letter of the Hungarian Postal Savings Bank to the Finance Ministry. August 19, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-12.), jewels from Munkács, Ungvár and Beregszász (Minutes of meeting of the Supervisory Board and Audit Committee of the Hungarian Royal Postal Savings Bank. June 12, 1944, 31, MOL Z 114 box 2.), several hundred kilograms of silver from Kassa. (Report to the Government Commissioner's Office for the Registration and Preservation of the Confiscated Works of Art of the Jews. May 31, 1944, USHMM 1997, A. 0294, reel 143, document kb.6/1944.)
- 37 It seems likely that the entire material of the Ungvár Financial Directorate was taken to Budapest. István Juhász's testimony (retired inspector of customs and excise). August 7, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 38 Letter of the Hungarian Postal Savings Bank to the Ministry of Finance. August 19, 1947, *ibid.*
- 39 Memorandum of PM KVMJÜ. July 1947, MOL XXIX-L-2-r, fascicle 13.
- 40 Memorandum of PM KVMJÜ on Soviet claims, *ibid.* It seems that the Soviets calculated the final amount of their claim for assets expropriated from Carpatho-Ruthenian Jews on the basis of confiscated Hungarian documentation. The size of the claim indicates that the local Jewish community was very poor, since Carpatho-Ruthenia had a large Jewish population.

- 41 See for instance the list of more than 70 financial institutions in "Smaller Hungary" that released Jewish deposits to the Government Commissioner's Office. MOL XXIX-L-2-r, fascicles 12-25.
- 42 For a reconstruction of the value of the train's contents see below.
- 43 István Jeszenőy's report. October 5, 1946, MOL XXIX-L-2-r, fascicle 73/36-40-12. For the contents, numbering, and marking of the valuables cases transported by the Toldy-convoy see appendix.
- 44 László Avar's, Béla Zolnay's and Oszkár Tolnay's testimony. August 24, 1945, TH V-121.103.; Béla Zolnay's, István Jeszenőy's, István Horváth's and László Avar's report. September 20, 1945, MOL XXIX-L-2-r, fascicle 73/36-40-12. For the contents, numbering and marking of the valuables cases transported by the train and the identification number of wagons see appendix.
- 45 István Jeszenőy's report. October 5, 1946, *ibid.*
- 46 László Avar's and István Mingovits's report. August 2, 1945, *ibid.*
- 47 *Ibid.*
- 48 *Ibid.*
- 49 Report on the wagons that had departed from Brennbergbánya and any changes therein, *ibid.*
- 50 The travel order (Marschbefehl) of March 28 contains the destination "Salzkammergut-Hallein." The order was signed by an SS-Obersturmführer reporting to the SS-Hauptamt Volksdeutsche Mittelstelle (VOMI) SS-Sonderkommando Südost. TH V-121.103.
- 51 László Avar's and István Mingovits's report. August 2, 1945, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 52 *Ibid.*
- 53 Report on the wagons that had departed from Brennbergbánya and any changes therein, *ibid.*
- 54 László Avar's and István Mingovits's report. August 2, 1945, *ibid.*
- 55 *Ibid.*
- 56 *Ibid.*
- 57 Toldy's order. April 10, 1945, *ibid.*
- 58 László Avar's and István Mingovits's report. August 2, 1945, *ibid.*
- 59 Minutes. Hopfgarten, April 22, 1945, *ibid.*
- 60 Minutes. Hopfgarten, April 16, 1945 (morning and afternoon session); Minutes (Hopfgarten) April 21, 1945, *ibid.*
- 61 For Mészáros's original letter see BFL Szálasi-case 293/1946, roll 135. For Vajna's report to the People's Tribunal see BFL Szálasi-case 293/1946, roll 133.
- 62 Béla Zolnay's, István Jeszenőy's, István Horváth's and László Avar's report. September 20, 1945, MOL XXIX-L-2-r, fascicle 73/36-40-12. Minutes. Werfen, June 6, 1945, *ibid.*
- 63 Minutes. Werfen, June 6, 1945, *ibid.*
- 64 Minutes. Hopfgarten, April 22, 1945, *ibid.*
- 65 Minutes. Werfen, June 6, 1945, *ibid.*
- 66 Minutes. Hopfgarten, April 23, 1945, *ibid.*
- 67 Minutes. Hopfgarten, April 24, 1945, *ibid.*
- 68 Cases marked Ar. 1, 4, 6, 7, 9, 22, 23, 24, 31, 39 and Ar. p. 3, *ibid.*
- 69 Cases marked Ar. 43, 13, 27, 25, 8, 3, 21, 5, 20, 14, 2, 26, 12; Br. 1, 5, 8, 6, *ibid.*

- 70 Cases marked Ar. ó 1, 26, 28, *ibid.*
- 71 *Ibid.*
- 72 Toldy's order. St. Anton, April 27, 1945, *ibid.*
- 73 Minutes. Hopfgarten, April 27, 1945, *ibid.*
- 74 László Avar's and István Mingovits's report. August 2, 1945, *ibid.*
- 75 *Ibid.*
- 76 *Ibid.*
- 77 Minutes. Hopfgarten, May 2, 1945, *ibid.*
- 78 László Avar's and István Mingovits's report. August 2, 1945, *ibid.*
- 79 Vajna's hearing by the Budapest People's Tribunal. BFL Szálasi-case, 293/1946, roll 133.
- 80 Gábor Vajna, *Zsidókérdés* (Jewish Question). BFL Szálasi-case 293/1946, roll 136, appendix 2, p.11.
- 81 Minutes. Böckstein, May 6, 1945, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 82 Minutes. Hopfgarten, May 4, 1945, *ibid.*
- 83 László Avar's testimony. May 23, 1946, BFL Nb. XV. 3470/46; report on the wagons that had departed from Brennbergbánya and any changes therein. MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 84 Minutes. Böckstein, May 6, 1945, *ibid.*
- 85 Service ticket. Böckstein, May 10, 1945, *ibid.*
- 86 Tibor Touttenoui's report. May 12, 1945, *ibid.*
- 87 László Avar's and István Mingovits's report. August 2, 1945, *ibid.*
- 88 Service ticket. Böckstein, May 11, 1945, *ibid.*
- 89 Service ticket. Böckstein, May 12, 1945, *ibid.*
- 90 Service ticket. Böckstein, May 14, 1945, *ibid.*
- 91 *Ibid.*
- 92 László Avar and István Mingovits's report. August 2, 1945, *ibid.*
- 93 *Ibid.*
- 94 Service tickets. Werfen, May 27 and 28, 1945, *ibid.*
- 95 László Avar's and István Mingovits's report. August 2, 1945, *ibid.*
- 96 Minutes. Werfen, July 19, 1945, *ibid.* A U.S. officer made his appearance in Pongau on July 28. He said that the Americans had finished off-loading the train, but had encountered some irregularities, so they wanted to ask Avar some questions. Avar insisted on Mingovits being present, so both of them were questioned (under oath). The following questions were put to them: Where did the contents of the train come from? How did the train get to Brennbergbánya? Was any inventory drawn up or were the contents simply sorted? Why was it necessary to pack so quickly? Could anyone have taken away any items? Who gave the order for packing and who implemented it? When and how did Avar and Mingovits embark on the train? On how many occasions were violent acts committed against the train on the journey, and what was stolen? How many times were the wagons opened? What happened under U.S. control? How many times was the train visited by military counter-intelligence officers? The U.S. officer did not give Avar and Mingovits a copy of the minutes, claiming that he would need permission from Headquarters to do that. Minutes. Pongau, July 28, 1945, *ibid.*
- 97 Report on the wagons that had departed from Brennbergbánya and any changes therein, *ibid.*

- 98 10 cases marked "Ar," average weight: 45 kg (gold objects, bracelets, cigarette cases, gold chains, etc.—Ar. 1, 4, 6, 7, 9, 22, 23, 24, 31, 39). 32 cases marked "Ar. o," average weight: 30–60 kg (men's and women's wrist and pocket watches marked: Ar. o. 24, 23, 20 19, 31, 9, 22, 8, 27, 15, 5, 12, 10, 32, 6, 2, 5, 29, 11, 17, 16, 13, 18, 4, 14, 3, 34, 7, 33, 30, 21, 35). 18 cases marked "Ar éksz.," average weight: 35 kg (jewels set with precious and semi-precious stones, marked: Ar. éksz. 10, 15, 27, 22, 25, 17, 20, 21, 24, 13, 26, 23, 14, 16, 19, 12, 11, 18). 1 case marked "Ar. p," average weight: 100 kg (gold coins and gold bullion—Ar. p. 3).
- 99 1 suitcase (containing 44,639 USD, 52,360 CHF, 84 GP, 10 Palestinian pounds, 60 CD, 5 Swedish crowns, 15 marks and 260,484 Hungarian pengős, plus one sachet of cut diamonds).
- 100 László Avar's report. October 17, 1945, MOL XXXIII-5-b-35/1945–47.
- 101 László Avar's and István Mingovits's report. August 2, 1945, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 102 Inventory. April 1, 1945, MOL XXIX-L-2-r, fascicle 83.
- 103 Statement about paintings taken by the Germans, p.27: "Owner: City Museum, Győr. Circumstances of disappearance: Taken by members of the Arrow Cross to Austria from the Picture Gallery of the Győr City Museum." MOL XXIX-L-2-r, fascicle 73/36-40-13.
- 104 Béla Szőke's report to the Ministry of Finance Department of Hungarian Assets Taken Abroad. MOL XXIX-L-2-r, fascicle 79.
- 105 The Győr City Museum's collection seized and taken to the West in 1945. July 21, 1948, Alford Collection, 15–19.
- 106 Letter from Ferenc Jeney, a guard of the Győr Museum, to the Prefect. February 10, 1945, MOL XXIX-L-2-r, fascicle 79.
- 107 Ferenc Jeney's testimony. February 1, 1946, *ibid*.
- 108 Béla Zolnay's, István Jeszenőy's, István Horváth's and László Avar's report. September 20, 1945, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 109 *Ibid*.
- 110 *Ibid*.
- 111 Sándor Ercse's report. December 1946, MOL XXIX-L-2-r fascicle 73/36-40-13.
- 112 Miklós Dobai's report. October 28, 1946, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 113 31 cases filled with gold objects (cigarette cases, jewels, etc.) with an average weight of 45 kg, 2 cases filled with gold coins with an average weight of 100 kg, 3 cases filled with gold watches with an average weight of 45 kg, 8 cases filled with jewels set with precious stones, and real pearls without setting with an average weight of 38 kg. László Avar's report. October 17, 1945 (Appendix) MOL XXXIII-5-b-35/1945–47. For a detailed list of these cases see appendix.
- 114 Miklós Dobai's testimony. December 5, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 115 *Ibid*.
- 116 French report 2001, 6. Summary report of the research of the Directorate of Archives (Direction des Archives) of the French Ministry of Foreign Affairs regarding the history of the Gold Train. In the possession of the authors.

- 117 Ibid.
- 118 Miklós Dobai's testimony. December 5, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 119 French report 2001, 3.
- 120 French report 2001, 13.
- 121 For a detailed description see French report 2001, 4–6.
- 122 French report 2001, 11.
- 123 Viktor Schwartz's report. May 6, 1946, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 124 This was admitted even in the report of the French Foreign Ministry. French report, 13.
- 125 Viktor Schwartz's report. May 6, 1946, MOL XXIX-L-2-r, fascicle 73/36-40-12. About Hungary's request for extradition see the *pro domo* memorandums of the Hungarian Political Mission in Vienna. MOL XIX-J-1-k KÜM Ausztia Adminisztráció box 43, item 30/c and the writ of the Allied Control Commission to the Hungarian Ministry of Foreign Affairs. May 5, 1946, *ibid.*
- 126 French report 2001, 13.
- 127 *Fehérvári Népszava*, February 18, 1947, 2.
- 128 Edit Barcsay's letter to Ministry of Finance Department of Hungarian Assets Taken Abroad. December 6, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-11.
- 129 *Pro domo* memorandum of the Hungarian Political Mission in Vienna. MOL XIX-J-1-k-KÜM Ausztia Adminisztráció, box 43, item 30/c.
- 130 Writ of the Allied Control Commission to the Hungarian Foreign Ministry. May 5, 1946, *ibid.*
- 131 *Ibid.*
- 132 *Pro domo* memorandum of the Hungarian Political Mission in Vienna, *ibid.*
- 133 Motion of the Budapest People's Tribunal. September 2, 1946, TH V-121.103.
- 134 Order of arrest. September 27, 1946, BFL Nb. XV. 3470/46.
- 135 Eizenstat, and Slany 1997, 55.
- 136 *Ibid.*
- 137 Eizenstat, and Slany 1997, 56–57.
- 138 In more detail about this see more: Theoretical material on the restitution of bank gold . NACP RG 260, entry "Finance, FED," box 166.
- 139 For the English text of article 8 see Eizenstat, and Slany 1997, 61.
- 140 Eizenstat, and Slany 1997, 91–94.
- 141 Eizenstat, and Slany 1997, 94–95. For the entire text of the Agreement in Hungarian translation see MOL XXIX-L-2-r, fascicle/36-40-11
- 142 Eizenstat, and Slany 1997, 96.
- 143 In the following, whenever we quote a document, we will use the name of the organization which is used in the cited document itself, regardless of whether or not the author of the document used the correct name of the organization as of the date of the document. When it is not a quote, we will always use of the three possible names the one which the organization was in fact called during the period in question.
- 144 Eizenstat, and Slany 1997, 171.
- 145 Eizenstat, and Slany 1997, 172.
- 146 Eizenstat, and Slany 1997, 173.
- 147 *Ibid.*

- 148 Telegram about the decision: Telegram of the Joint Chiefs of Staff to OMGUS. April 29, 1947, NACP RG 260, entry 113, box 21, file C-9-1 "Gold Found in Austria."
- 149 Eizenstat, and Slany 1997, 174.
- 150 Ibid.
- 151 Minutes, Werfen, July 19, 1945, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 152 Unloading Plan of the Shipment of the Gold Train. July 8, 1945, Alford Collection, 30.
- 153 Memorandum of the Property Control Branch. May 4, 1948, NACP RG 260, entry 113, box 20, file S4-8007 Sa.
- 154 Letter from Major RW. Cutler, officer of the Office of the Military Governor to PCO Keller. August 2, 1945, *ibid*.
- 155 Receipts of delivery and acceptance, issuance declarations. August 30–November 16, 1945, *ibid*.
- 156 Receipts of acceptance. September 14 and October 24, 1945, *ibid*.
- 157 Inventory of assets released to furnish the castle occupied by General Collins, January 8, 1946. Receipt of acceptance, January 25, 1946. Summary list of the assets claimed, July 16, 1946, NACP RG 260 entry 113, box 20, file S4. 8007, vol. 3.
- 158 List of items claimed from the Salzburg Property Control Warehouse. Alford Collection, 675–680.
- 159 Summary list of assets claimed. July 16, 1946, NACP RG 260, entry 113, box 20, file S4. 8007, vol. 3.
- 160 Summary report by Property Control Officer Captain H. A. Mackenzie about assets claimed. July 17, 1947, *ibid*.
- 161 Letter from Major C. R. Agnew, Jr., Property Control Officer to the USACA-Reparation, Deliveries and Restitution Division. March 8, 1946, NACP RG 260, entry 113, box 20, file S4-8007 Sa.
- 162 Summary report by Property Control Officer Captain H. A. Mackenzie about assets claimed. July 17, 1947, NACP RG 260, entry 113, box 20, file S4. 8007, vol. 3.
- 163 The Property Control Branch's letter to the Military Government Detachment E1B. March 14, 1946, NACP RG 260, entry 113, box 20, file S4. 8007 Sa.
- 164 *Ibid*.
- 165 Letter from Colonel C. L. Boyle, Executive Officer of USACA to the USFA Chief of Staff. June 5, 1946, *ibid*.
- 166 Memo of the Headquarters USFA to the Property Control Branch. February 20, 1946, *ibid*. Return memo of the Property Control Branch to the Headquarters USFA. February 20, 1946, *ibid*.
- 167 Letter from the Chief of the Property Control Branch to the PCO. June 8, 1946, *ibid*.
- 168 Letter from Property Control Officer Captain H. A. Mackenzie to the USACA-Reparation, Deliveries and Restitution Division. July 16, 1946, NACP RG 260, entry 113, box 20, file S4. 8007, vol. 3.
- 169 Summary report by Property Control Officer Captain H. A. Mackenzie about assets claimed. July 17, 1947, *ibid*.
- 170 Memo of the Department of State to the War Department. July 10, 1946. Alford Collection, 113–118.

- 171 Ibid.
- 172 Ibid.
- 173 Letter from W. M. Treece, Chief of the Property Control Branch, to Property Control Officer Captain H. A. Mackenzie. February 24, 1947, NACP RG 260, entry 113, box 20, file S4. 8004-Sa.
- 174 Summary report by Property Control Officer Captain H. A. Mackenzie about assets claimed. July 17, 1947, NACP RG 260, entry 113, box 20, file S4. 8007, vol. 3.
- 175 Letter from Major L. A. Laliberte, Real Estate Officer, to Commanding Officer of 7553 Military Government Detachment. June 13, 1947. Alford Collection, 671–673.
- 176 Report of Investigation. July 22, 1947. Alford Collection, 217–219.
- 177 Ibid.
- 178 Letter from Major M. N. Rosenberg, AES Officer to the Property Control Officer. November 6, 1945, NACP RG 260, entry 113, box 20, file S4. 8007 Sa.
- 179 Letter from Lieutenant Colonel E. P. Deutsch, head of the USACA-Legal Division to the USACA-Reparation, Deliveries and Restitution Division. November 14, 1945, *ibid*.
- 180 Letter from Lieutenant Colonel A. W. Marget, head of the USACA Finance Division to the USACA-Reparation, Deliveries and Restitution Division. November 20, 1945, *ibid*.
- 181 Letter from Colonel T. S. Paul, head of the USACA-Reparation, Deliveries and Restitution Division to the USACA-Legal Division. December 8, 1945, *ibid*.
- 182 Letter from Major J. T. Kontz, Chief of the Property Control Branch, to the AES Officer. December 14, 1945, *ibid*.
- 183 Letter from Property Control Officer Captain H. A. Mackenzie to the USACA-Reparation, Deliveries and Restitution Division. November 18, 1946, *ibid*.
- 184 Letter from J. A. Garrison, head of the USACA-Reparation, Deliveries and Restitution Division to the Director of Public Economy. November 29, 1946, NACP RG 260, entry “USACA records,” box 77.
- 185 Letter from R. S. Wilcox, Army Exchange Service Procurement Division, to the USACA Property Control Branch. December 22, 1946, *ibid*.
- 186 Letter from Major C. R. Agnew, Property Control Officer, to the USACA-Reparation, Deliveries and Restitution Division. March 5, 1946, NACP RG 260, entry 113, box 20, file S4. 8007 Sa.
- 187 Letter from the Property Control Branch to the Property Control Officer. March 14, 1946, *ibid*.
- 188 Alford 1997, 219.
- 189 Alford 1997, 85–95.
- 190 Alford Collection, 65.
- 191 Summary report by Property Control Officer Captain H. A. Mackenzie about assets claimed. July 17, 1947, NACP RG 260, entry 113, box 20, file S4. 8007, vol. 3.
- 192 Letter from J. A. Garrison, head of the USACA-Reparations, Deliveries and Restitution Division to the Property Control Officer. May 16, 1947, *ibid*.
- 193 The authorities did not seriously want to meet Chaplain Flaherty’s aforementioned request. They made it IGCR’s responsibility to distribute such

- assets. Letter from Property Control Officer Captain H. A. Mackenzie to the USACA-Reparations, Deliveries and Restitution Division. May 22, 1947, NACP RG 260, entry 113, box 21, C-9-1 "Gold found in Austria."
- 194 Retroactive receipt for the first two transports originating from the Werfen Train. October 6, 1947, NACP RG 260, entry 113, box 20, file S4. 8007, vol. 3.
- 195 Note by the Depository Section. June 17, 1947. Alford Collection, 183.
- 196 Third transport: early October 1947; 4th transport: mid- October 1947; 5th transport: early November 1947; 6th transport: mid-November 1947; 7th transport: end of 1947–beginning of 1948; 8th transport: mid-January 1948, 9th transport: mid-January 1948; 10th transport: mid-February 1948. Receipts for assets from the Werfen Train. October 6, 1947, NACP RG 260, entry 113, box 20, file S4. 8007, vol. 3.
- 197 Letter of Appointment issued by the PCIRO Merchandising Advisory Committee to Parke-Bernet Galleries, Inc. May 26, 1948, MOL XXIX-L-2-r, fascicle 73/36-40-11.
- 198 Hyman Smollar's statement in *Washington Post*. NACP RG 56, entry ACC-66-A-816, box 1, file "Looted Gold General."
- 199 The catalogues: Continental Silver, Porcelain and Glass Gold & Other Ornaments to be Sold for the Resettlement and Rehabilitation of Victims of Nazi Action by the Preparatory Commission International Refugee Organisation of the United Nations. Public Auction Sale June 23, 24, 25 at 2 p.m. and June 24 at 10:30 a.m. Parke-Bernet Galleries, Inc., New York 1948, MOL XXIX-L-2-r, fascicle 73/36-40-11; Jewelry and Precious Stones to be Sold for the Resettlement and Rehabilitation of Victims of Nazi Action by the Preparatory Commission International Refugee Organisation of the United Nations. Public Auction Sale June 21 and 22 at 2 p.m, *ibid*.
- 200 Statement of the U.S. Delegation Regarding the Gold Train. April 1967, MOL XXIX-L-2-r, fascicle 85.
- 201 *New York Times*, June 26, 1948, NACP RG 56, entry ACC-66-A-816, box 1, file "Looted Gold General." Imre Reiner, head of the Committee created by Prime Minister's decree 5950/1946, made a petition to the relevant authority both in November 1948 and April 1949, asking for permission to go to New York. At the end of 1948 Reiner said: "Assets are being auctioned off, so urgent action is needed." Imre Reiner's petition. November 1948, MOL XXIX-L-2-r, fascicle 20. In April 1949 Jewish organizations wrote to the Foreign Relations Office: "Auctions are ongoing and will foreseeably continue to take place in the longer term." Letter from the Executive Committee of the National Office of Hungarian Israelites and the Central Office of the Hungarian Autonomous Orthodox Israelite Community. April 5, 1949, MOL XXXIII-5-b-35-1945-1947.
- 202 Statement of the U.S. Delegation Regarding the Gold Train. April 1967, MOL XXIX-L-2-r, fascicle 85.
- 203 Minutes of Meeting of the Administration of the Joint Distribution Committee. November 14, 1950, MOL XXIX- L-2- r fascicle 73/36-40-12.
- 204 Statement of the U.S. Delegation Regarding the Gold Train. April 1967, MOL XXIX-L-2-r, fascicle 85.
- 205 *Ibid*.
- 206 *Ibid*.

- 207 Ibid.
- 208 Receipt of acceptance. February 26, 1948, NACP RG 260, entry 113, box 20, file S4. 8007, vol. 3.
- 209 Statement of the U.S. Delegation Regarding the Gold Train. April 1967, MOL XXIX-L-2-r, fascicle 85.
- 210 Letter from Lieutenant Colonel R. F. Gunn, AGD Executive Officer, to the Property Control Branch. January 31, 1948, NACP RG 260, entry 113, box 20, file S4. 8007, vol. 3.
- 211 Inventory of paper currencies and gold coins turned over to the U. S. Austrian Currency Section. April 18, 1946, NACP RG 260, entry 113, box 20, file S4-8007 Sa.
- 212 Inventory of silver coins turned over to the U. S. Austrian Currency Section. May 24, 1946, Alford Collection, 738–741.
- 213 Declaration of the Austrian National Bank. November 8, 1946, NACP RG 260, entry 113, box 21, file C-9-1 “Gold Found in Austria.”
- 214 Ordinance to USFET and OMGUS. December 1946, *ibid*.
- 215 For the text of the agreement in English see *ibid*. For details of the 84 gold bullion handed over see *ibid*.
- 216 Confidential memorandum. Undated. NACP RG 260, entry 113, box 21, file C-9-1 “Gold Found in Austria.” For a detailed list of restituted assets see *ibid*.
- 217 *Ibid*.
- 218 Eizenstat, and Slany 1997, 57–58.
- 219 CSCAD ECON’s telegram to USFA. September 19, 1947, NACP RG 260, entry 113, box 21, file C-9-1 “Gold Found in Austria.”
- 220 Inventory of currencies found on the “ex-Werfen Train.” December 11, 1947, Alford Collection, 746–751.
- 221 Receipt of delivery and acceptance. August 4, 1949, NACP RG 260, entry 113, box 21, file C-9-2 “Located Gold and Foreign Currency.”
- 222 Letter from J. A. Garrison, head of the USACA- Reparation, Deliveries and Restitution Division to the USACA Financial Division. January 23, 1948, NACP RG 260, entry 113, box 21, file C-9-1 “Gold Found in Austria.”
- 223 Custody receipt. February 19, 1946, Alford Collection, 743.
- 224 Letter from J. A. Garrison, Chief of the Property Control Branch to the USACA Financial Division. May 27, 1947, Alford Collection, 173–174.
- 225 Memorandum. November 5, 1947, NACP RG 260, entry 113, box 20, file S4 8007, vol. 3.
- 226 Ablieferung von Gold und Silberständen. November 26, 1946, Alford Collection, 139.
- 227 Letter from Lieutenant Colonel R. F. Gunn, AGD Executive Officer, to the U.S. Austrian Currency Section. August 11, 1947. NACP RG 260, Entry 113, Box 20, File S4 8007. Vol. 3.
- 228 Letter from J. A. Garrison, head of the USACA-Reparation, Deliveries and Restitution Division to the Finance Division. January 23, 1948, NACP RG 260, entry 113, box 21, file C-9-1 “Gold Found in Austria.”
- 229 Letter from Segat to Lee. April 30, 1948, Alford Collection, 285.
- 230 USFA telegram. January 3, 1947, NACP RG 260, entry 113, box 21, file C-00-10 “Cables and Policy.”

- 231 Letter from Lieutenant Colonel R. F. Gunn, AGD Executive Officer, to the Reparation, Deliveries and Restitution Division. January 21, 1948, NACP RG 260, entry 113, box 20, file S4 8007, vol. 3.
- 232 List of Jewish liturgical objects selected from the contents of the Gold Train, *ibid.*
- 233 CSCAD CITE ECON's telegram to USFA. April 25, 1948, NACP RG 260, entry 113, box 20, file C-9-9.
- 234 Confirmation of the arrival of receipts of acceptance. June 8, 1948, *ibid.*
- 235 Statement of the U.S. Delegation Regarding the Gold Train. April 1967, MOL XXIX-L-2-r, fascicle 85.
- 236 Letter from Lieutenant Colonel R. F. Gunn, AGD Executive Officer, to the Reparation, Deliveries and Restitution Section. February 9, 1948, NACP RG 260, entry 113, box 20, file S4 8007, vol. 3.
- 237 Letter from Major E. J. Saunders, Salzburg Area Chaplain, to the Military Government. February 4, 1948, *ibid.*
- 238 Statement of the U.S. Delegation Regarding the Gold Train. April 1967, MOL XXIX-L-2-r, fascicle 85.
- 239 Evelyn Tucker's Field Report. November 6–11, 1947, NACP RG 260, entry "USACA General Records," box 160.
- 240 Declaration of delivery and acceptance. January 5, 1948, NACP RG 260, entry "USACA General Records," box 100.
- 241 Petition of the Foreign Service of the USA to the Department of State. January 12, 1951, NACP RG 59, entry 3104 A, box 16, file "Lot 62 D-4."
- 242 Letter from Frigyes Puja, Hungarian Ambassador to Vienna, to the Hungarian Ministry of Foreign Affairs, May 31, 1958. MOL KÜM Ausztria TÜK XIX-J-1-j 1954-1964, box 45, item 23/g, document 003955/1958.
- 243 Writ of the Ministry of Finance to the Ministry of Foreign Affairs. February 14, 1961, MOL KÜM Ausztria TÜK box 46, item 23/g, document 00930/3.
- 244 Itemized list. MOL XXIX-L-2-r, fascicle 79.
- 245 Preparatory documents for the verbal note of the Ministry of Foreign Affairs. June 21, 1961, MOL KÜM Ausztria TÜK box 46, item 23/g, document 00930/6.
- 246 Memorandum of the Center of Financial Institutions regarding works of art restituted from Austria. June 4, 1965, MOL XXIX-L-2-r, fascicle 84. Itemized list *ibid.*
- 247 Receipt of acceptance. February 10, 1964, Alford Collection, 19–21.
- 248 Letter from Ardelia Hall, Arts and Monument Advisor to the Installation Division, Quartermaster General. June 13, 1956, Alford Collection, 823–824.
- 249 *Ibid.* Hall argued that the U.S. authorities occupying Austria were no longer in charge of restitution, and delegated the evaluation of Hungarian claims to the Austrian government.
- 250 Memorandum of procedure. July 31, 1957, Alford Collection, 841.
- 251 List of items turned over to the Austrian government. Alford Collection, 842–844. For an itemized inventory of these assets see also Alford Collection, 828–832.
- 252 Memorandum by First Lieutenant J. V. Schulte to the Property Control Branch. February 18, 1948, NACP RG 260, entry 113, box 20, file S4 8007, vol 3.

- 253 Ibid.
- 254 Letter from the Fides Union Fiduciary to the U.S. Embassy in Bern. September 20, 1945, NACP RG 260, entry "USFA," box 99, file "Rep. + Rest Branch."
- 255 Letter from Property Control Officer Captain H. A. Mackenzie to the Fides Union Fiduciary. July 20, 1946, Alford Collection, 301.
- 256 Memorandum by First Lieutenant J. V. Schulte to the Property Control Branch. February 18, 1948, NACP RG 260, entry 113, box 20, file S4 8007, vol 3.
- 257 Authorization issued by Property Control Officer Captain H. A. Mackenzie to József Markovits. September 20, 1946, Alford Collection, 808–809.
- 258 Receipts of acceptance. January 30 and February 19, 1948, NACP RG 260, entry 113, box 20, file S4 8007, vol 3.
- 259 Minutes of Identification. February 2, 1948, NACP RG 260, entry "USFA," box 99, file "Rep. + Rest Branch."
- 260 Memorandum to the Property Control Branch. February 18, 1948, NACP RG 260, entry 113, box 20, file S4 8007, vol 3.
- 261 List of Miklós Csillaghy's property. Alford Collection, 338.
- 262 Rafael's account is cited by Zweig 2002, 145.
- 263 Memorandum on seized Hungarian assets turned over to the IRO. MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 264 Rafael's letter to Eliezer Kaplan is cited by Zweig 2002, 147.
- 265 The letter of Nagy to the JA is cited by Zweig 2002, 149.
- 266 Rafael's letter to the Hungarian Jewish leaders cited by Zweig 2002, 158.
- 267 The letter of the Hungarian Jewish leaders to the Joint and the JA cited by Zweig 2002, 159.
- 268 Zweig 2002, 161, 164.
- 269 Letter from László Varvasovszky to the USACA-Reparation, Deliveries and Restitution Division. October 27, 1947. MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 270 Letter from J. A. Garrison, head of the USACA-Reparation, Deliveries and Restitution Division to the Restitution Mission in Vienna. December 2, 1947, *ibid.*
- 271 Letter from László Varvasovszky to the USACA-Reparation, Deliveries and Restitution Division. December 15, 1947, *ibid.*
- 272 Memorandum about seized Hungarian assets turned over to the IRO, *ibid.*
- 273 For instance the letter from Endre Sík to the Political Department of the Hungarian Ministry of Foreign Affairs. July 26, 1947, *ibid.*
- 274 Writ from the Department of State to the Hungarian Ministry of Foreign Affairs. September 7, 1948, *ibid.*
- 275 *Ibid.*
- 276 Memorandum of the Ministry of Finance. October 30, 1951, *ibid.*
- 277 Official list of the Ministry of Finance to the Allied Control Commission in Austria. July 1, 1948, Alford Collection, 291–295.
- 278 Memorandum of Ministry of Finance Department Hungarian Assets Taken Abroad. September 1, 1948, MOL XXIX-L-2-r, fascicle 73/36-40-13.
- 279 Letter from Abba P. Schwartz, PCIRO Reparation Director, to J. A. Garrison, head of the USACA-Reparation, Deliveries and Restitution Division. June 8, 1948, RG 260, entry 113, box 20, file S4-8007 Sa.

- 280 Letter from Abba P. Schwartz, PCIRO Reparation Director, to the Restitution Mission in the French occupation zone. June 8, 1948, *ibid*.
- 281 Article 1 of Prime Minister's decree 5950/1946 (issued on May 28, 1946) stated that a Committee would be taking care of the "finding, securing, reception, and restitution of the seized assets of Hungarian citizens taken abroad and formerly subject to Prime Minister's decrees 1600/1944 and 3840/1944 that have since then become ineffective." Pursuant to the decree, the Chairman of the Committee shall be appointed by the Minister of Finance from three candidates proposed by the National Office of Hungarian Israelites and the Central Office of the Hungarian Autonomous Orthodox Israelite Community, whereas its eight members shall be nominated by the two Jewish organizations. Articles 2 and 4 of the decree stated that a separate decree would regulate the future of the assets defined in article 1 (i.e. property confiscated pursuant to Prime Minister's decrees 1600/1944 and 3840/1944) after restitution. *Két év hatályos jogszabályai 1945–1946* (Effective acts of 1945–1946), 279.
- 282 The Joint's letter to the National Office of Hungarian Israelites. May 1, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 283 Memorandum of the Ministry of Finance. October 27, 1947, *ibid*.
- 284 *Ibid*.
- 285 The Joint's letter to Imre Reiner. November 12, 1947, *ibid*.
- 286 Letter from the Central Office of the Hungarian Autonomous Orthodox Israelite Community and the National Office of Hungarian Israelites to the Hungarian Foreign Ministry, *ibid*.
- 287 Letter from Robert S. Folson, Second Secretary of the American Legation in Budapest, to the National Office of Hungarian Israelites. May 19, 1947, *ibid*.
- 288 *Ibid*.
- 289 The H. H-case. 1946–1950, MOL XXIX-L-2-r, fascicle 73/36-40-13.
- 290 *Ibid*.
- 291 USACA-Reparation, Deliveries and Restitution Division. July 1948, NACP RG 260, entry 113, box 21, file C-00-10 "Cables & Policy."
- 292 Department of State's letter to the U.S. Embassy in Budapest. July 27, 1948, Alford Collection, 298.
- 293 AGWAR's letter to USFA. November 16, 1946, Cited in *Plunder and Restitution* 2000, SR-116.
- 294 Memorandum by Property Control Officer Lieutenant Colonel Homer K. Heller and Captain John J. Back. September 1945. Alford Collection, 38–39.
- 295 Inventory. Undated. Alford Collection, 47.
- 296 Custody receipt of acceptance. February 19, 1946, Alford Collection, 743.
- 297 Memorandum. November 5, 1947, NACP RG 260, entry 113, box 20, file S4 8007, vol. 3.
- 298 Statement of the U.S. Delegation Regarding the Gold Train. April 1967, MOL XXIX-L-2-r, fascicle 85.
- 299 Receipt of acceptance. October 24, 1945, NACP RG 260, entry 113, box 20, file S4-8007 Sa.
- 300 Receipt of return acceptance. September 27, 1945, *ibid*.
- 301 Property register of the Richmond Property Control Warehouse. Alford Collection, 834.

- 302 Letter # 2148. December 30, 1948, JDCA file 532 A "Gold Train."
- 303 Property Register. Alford Collection, 46.
- 304 Letter from Colonel C. L. Boyle, Executive Officer of USACA to the USFA Chief of Staff. June 5, 1946, NACP RG 260, entry 113, box 20, file S4-8007 Sa.
- 305 Confidential memorandum SWNCC 204/12, NACP RG 59, entry A-I 5398, box 6.
- 306 Minutes of unpacking and giving into possession. 1946-1947, MOL XXIX-L-2-r, fascicle 83 and itemized summary list of works of art restituted between 1945-1948, MOL XXIX-L-2-r, fascicle 84.
- 307 Minutes of the negotiations. July 7, 1947, MOL XXIX-L-2-r, fascicle 13.
- 308 Prime Minister's decree 8400/1946 regarding new regulation on the trade of foreign payment instruments and claims, as well as foreign securities and gold, and the export of payment instruments. July 28, 1946. *Két év hatályos jogszabályai 1945-1946*, 321-325.
- 309 Eizenstat, and Slany 1997, 173-174.
- 310 See above.
- 311 Minutes of meeting of the Reception Committee created by Article 2 of Prime Minister's decree 24.390/1946. October 23, 1948, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 312 Sándor Ercse's report. December, 1946, MOL XXIX-L-2-r, fascicle 73/36-40-13.
- 313 Ibid.
- 314 Letter from Sándor Ercse to Government Commissioner for Restitution Sándor Millok. December, 1946, MOL XXIX-L-2-r, fascicle 17.
- 315 István Révész's letter. October 17, 1946, MOL XXIX-L-2-r, fascicle 73/36-40-11; letter from Counselor of the Embassy Bartók to the Minister of Foreign Affairs. October 21, 1946, *ibid.* Note that according to police minutes from 1945 the treasure confiscated in May 1944 at the Budapest residence of Ernő Keleti, a Jewish attorney, contained similar gold bullion marked Scheid G. A. weighing 1 and 0.5 kg, and a large quantity of gold francs in coins. See above.
- 316 Ibid. Receipt of acceptance. October 19, 1946, MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 317 Minutes of meeting of the Reception Committee created by Article 2 of Prime Minister's decree 24.390/1946, October 23, 1948, *ibid.*
- 318 Memorandum of the Ministry of Finance about sending documents regarding the Gold Train. November 7, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-11.
- 319 Edit Barcsay's telephone report from Paris to PM KVMJÜ. September 13, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-13.
- 320 Edit Barcsay's telephone report. November 3, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-12; Memorandum of PM KVMJÜ. October 22, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-11.
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- 322 French report 2001, 10.
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- 335 Ibid.
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- 343 French report 2001, 8.
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- 346 Ibid.
- 347 Ibid.
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- 349 The following standard answer was written on documents: "As before responding to the request formulated in the petition a decision is required about whether or not Treasury has to pay a forint consideration for restituted but non-identifiable assets to the Jewish Rehabilitation Fund, this document shall be filed." MOL XXIX-L-2-r, fascicles 17 and 21.
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- 362 Regarding the weight of containers see the Austrian newspaper reports about a certain part of the Toldy convoy falling of under French army control: Ein Goldschatz in Tirol gefunden. (Gold Treasure was Found in Tirol) *Oberösterreichische Nachrichten* July 9, 1946, Ein Goldschatz in acht Kisten gefunden (Gold Treasure was Found in Eight Cases) and the photograph published with the caption: Ringe und Kasette aus dem Goldschatz. (Rings and Caskets from the Gold Treasure) *Tiroler Tageszeitung* July 8–9, 1946.
- 363 Minutes of meeting of the Reception Committee created by Article 2 of Prime Minister's decree 24.390/1946. October 23, 1948, MOL XXIX-L-2-r, fascicle 73/36-40-12
- 364 Memorandum of the Ministry of Finance regarding the history of the Gold Train, *ibid*.
- 365 Assets were packed in small, so-called miner's chests made of pine, the top being fastened by 12-14 wooden screws. A hole was drilled in all the chests, a string was drawn across the drilling and a plumb was fastened to it. Miklós Dobai's testimony. December 5, 1947, MOL XXIX-L-2-r, fascicle 73/36-40-13 and István Jeszenőy's hand-written notes. MOL XXIX-L-2-r, fascicle 73/36-40-12.
- 366 In 1945–1946 the price of 1 ounce of silver was around 0.5 USD. The silver objects found on the Gold Train were not made of pure silver, apart from one chest of silver bullion, but their high artistic quality represented significant added value, albeit hard to estimate precisely. To get over this problem, we have taken into account the per ounce price of pure silver for all silver found on the train.
- 367 See above.
- 368 Letter from dr. Géza Fehér to the Budapest Financial Directorate. August 9, 1946, MOL XXIX-L-2-r, fascicle 73/30-40-13
- 369 According to the last officially quoted exchange rate (March 1941) 100 pengős=19.77 USD. Schneider, Swarczer, and Denzel 1997, 503.
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- 379 Lévai 1946, 223.
- 380 Lévai 1948, 316., footnote 144.
- 381 Braham 1997, 531., 544., 1266., 1288.
- 382 Braham 1997, 1288.
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- 387 An example is the article "Gold Train" by Éva Figder, a researcher of the Historical Institute of the Hungarian Academy of Science, published in the Hungarian historical periodical *História*. Figder 2000.
- 388 *Plunder and Restitution* 2000.
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- 394 *Plunder and Restitution* 2000, SR-115.
- 395 *Plunder and Restitution* 2000, SR-150.
- 396 Zweig 2002.
- 397 Some examples: (p.2) The following statement is false, indeed incomprehensible: "Horthy wanted to restore a non-racial definition of Jews in Hungarian society." Does he mean to suggest that Hungarian society's definition of the Jew had not been racial before the occupation? Or that it was only the members of the collaborating administration and the Arrow Cross who considered the Jews a "race"? Then what does he say to the Jewish Laws of 1938–41? (p.13) It is not true that Gömbös did not propose a single significant reform. (p.17) It is untrue that the orientation of the Gömbös administration was extreme right regarding the Jewish Question. When he came to power, Gömbös did not lay a finger on the flourishing interest groups of the political elite or leading Jewish economic circles. Indeed, in his inaugural address, he indicated that he had "reconsidered his point of view" on the Jewish question. (p.22) German interest in Szálasi and his circle was far less significant than Zweig suggests, and local support for the Arrow Cross cannot be explained with reference to support offered by the Germans—difficult to establish in the first place, and very inconsistent at any rate. (p.27) In 1939, the Arrow Cross received not 750,000 of 2 million votes, but rather

more than 900,000 out of 2.4 million voters' 3 million votes (since there were those who voted several times).

- 398 Examples: (p. 11) After Trianon, the country's population was 7.9, not 7.6 million. (p.41) In stating the number of Hungarian citizens affected by the Jewish Laws, Zweig conflates the situations of 1941 and 1944. The figure of 825,000 was true of 1941 (725,000 Israelites and 100,000 Christian converts). Between 1941 and 1944, though, Hungarian Jewry lost tens of thousands to forced labor, the Kamenets-Podolsky deportation, the slaughter in Újvidék (Novy Sad) and to emigration. The author either forgets this, or is ignorant of it.
- 399 Examples: (p.40) It cannot be said that Winkelmann (not "Winckelmann") "went into action" on March 19—and certainly not with Baky, who at the time was occupied with negotiations to fill leading positions in the government. It was SS-Sturmbannführer Trenker, the Gestapo commander in Budapest, who carried out the arrests with 32 of his men, under the direction of Kaltenbrunner and Baky's personal enemy Péter Hain (not Baky). After the departure of the RSHA commandant, SS-Oberführer Dr. Humbert Achamer-Piffrader (Commander of Einsatzgruppe A in the northern Soviet Union and Baltics in 1942–43) took over, and Winkelmann became operative only after the former's automobile accident in April. (p.49) It may sound good, but it is simply not true (and indicates an ignorance of the Holocaust's outlines in general) to say that the Nazis were met with eager local collaboration nowhere but in Hungary. Government organizations in Slovakia, the Netherlands, and France were active participants in the deportations, not to mention the Rumanians' own massacre that resulted in 250,000 dead or the frequent volunteering for SS units killing Jews seen in Ukraine and the Baltics. (p. 53) The Jews did not run on the banks on March 19, because they were closed, it being a Sunday. Between 20 and 22, though, 296 million pengős were withdrawn from Hungarian financial institutions, mostly by Jews, though Zweig makes no mention of this. Not a word is true of the statement that the Germans received 5000 Marks for every deported Jew, nor that the Hungarian government paid 2.5 billion(!) pengős, or about 1.25 billion marks or 500 million dollars, to the Germans for the removal and keeping of the Jews. (p. 59) The Hungarian Jews who reached Auschwitz numbered about 430,000. The figure of 437,000 applies to deportations from outside the capital, while some 15,000 people went not to Auschwitz, but to Strasshof. Zweig does not mention this. In addition to these rural deportations, there were „independent transports" taking Hungarian Jews to Auschwitz, accounting for the c.430,000 figure. (p. 68) It is a serious mistake to put Horthy's attempt to change side on October 16, 1944, rather than 15. (p.71) During the „Death Marches," not 70,000 but 30,000 Budapest Jews were started on foot towards the western border zone. They were joined by some 50,000 forced laborers from various parts of the country. The Budapest Ghetto decree was signed on November 29 by Gábor Vajna, the Arrow Cross Minister of the Interior. December 2 was not the date of the decree, but of the sealing of the ghetto, which then confined some 40,000 Jews. The peak figure was 70,000, not 103,000. (p. 225) Zweig also betrays serious ignorance

concerning Auschwitz as well: the gas chambers and crematoria were not destroyed at the end of October. Crematorium IV was destroyed on October 7 by a prisoners' rebellion, while II and III were demolished on January 20, and V on 26. By 1944, Crematorium I (the "old" one) was no longer in use. One could continue listing errors at length, as István Deák indicates in his review of Ronald Zweig's book (Deák 2002).

- 400 Examples: (p. 83) It is absolutely not true that the Arrow Cross administration documents never mention the Gold Train. Zweig's audacious assertion stems from a lack of detailed familiarity with Hungarian archive sources. See e.g. the documents pertaining to the aforementioned Mészáros incident. (p. 215) Again Zweig makes a confident assertion regarding the fate of valuables brought back from Paris: "The paper trail ends at this point." But the author is unfamiliar with (among others) the document from the Ministry of Finance's Department for Hungarian Assets Taken Abroad, from September of 1949, which enumerates the orders of the Ministry's Council for the disposition of returned Jewish assets.

401 Zweig 2002, 91 and 169.

402 Zweig 2002, 84.

403 Zweig 2002, 120.

- 404 (p. 223) The "division of labor" between Becher and Eichmann mentioned by Zweig actually did not exist. In fact, as we have seen, precisely the opposite was the case. (p. 224) Zweig is unaware that the Kasztner train left Budapest on June 30 and arrived at Bergen-Belsen at the beginning of July. The first transport arrived in Switzerland at the end of August, the other at the beginning of December. (p. 60) Zweig says that "Some 3000 of Hungary's wealthiest Jews were able to save themselves in this way" (that is, through ransom paid to the SS). More than 1680 people were on the Kasztner train, but most of these were not wealthy. About 40 members of the Weiss, Chorin, Mauthner, and Kornfeld families made it out of the country, so the 3000 figure certainly seems imprecise, even improvised. Why not 2700, say, or 3500? (p. 223) As we have seen, Becher was an SS-Obersturmbannführer (Lieutenant Colonel) when he arrived in Hungary, and was only promoted to the rank of Standartenführer (Colonel) in January of 1945.

405 Kádár, and Vági 2001.



Rezső Kasztner



Kurt Becher



Adolf Eichmann (Hungarian National Museum)



Deportation in Hungary in the summer of 1944 (Hungarian National Museum)



Gentile population is robbing a ghetto in Hungary in the summer of 1944
(Hungarian National Museum)



Deportation in Hungary in the summer of 1944 (Hungarian National Museum)



Ghettoization in Hungary in the spring of 1944 (Hungarian National Museum)



Ferenc Chorin (right) with Regent Miklós Horthy in 1935 (Hungarian National Museum)



Prime Minister Gyula Gömbös (third from the left) with the leaders of the National Alliance of Industrialists in 1932 (Hungarian National Museum)



The assets of the victims in Auschwitz-Birkenau (Hungarian National Museum)



The assets of the victims in Auschwitz-Birkenau (Hungarian National Museum)



László Endre (Hungarian National Museum)

Appendix

Summary of the fate of the cases of the Gold Train containing gold, gold jewels, gold coins, precious stones, jewels with precious stones

I. FINAL RESULT OF THE ASSORTING (BRENNBERGBÁNYA)

<i>Case markings</i>	<i>No. of cases</i>	<i>Average weight (kg)</i>	<i>Contents</i>
Ar.	41	45	gold objects, bracelets, cigarette cases, chains, etc.
Ar. o.	35	45	men's and women's gold wristwatches, gold pocket watches
Ar. éksz.	18	35	jewels set with semi-precious stones and gems
Br.	8	38	jewels set with precious stones and real pearls without setting
Ar. p.	3	100	miscellaneous gold coins, gold bullion
[Iron casket]	2	4	selected cut diamond jewels and real pearls

Ar. = gold; Ar. o. = gold watches; Ar. éksz. = gold jewels; Br. = cut diamond;
Ar. p. = gold money; Total: 105 cases and 2 caskets

2. THE FREIGHT AT THE TIME OF THE DEPARTURE FROM BRENNBERGBÁNYA

<i>No. of railroad car</i>	<i>Cargo</i>
MÁV 125.158.	Ar. o. 24, 23, 20, 19
DRB 24.014	Ar. o. 26, 1, 31, 28
DRB 73.03	Ar. o. 9, 22, 8, 27
DRB 65.33	Ar. o. 15, 5, 12, 10
MÁV 130.324	Ar. o. 32, 6, 2, 25
FR 753.95	Ar. o. 29, 11, 17, 16, 13, 18, 4, 14
DRB 781.55	Ar. éksz. 10, 15, 27, 22, 25, 17, 20, 21, 24
DRB 554.38	Ar. o. 3, 34, 7, 33, 30, 21, 35, Ar. éksz. 13
MÁV 113.513	Ar. éksz. 26, 23, 14, 16, 19, 12, 11, 18
Total:	53 cases (35 Ar. o. and 18 Ar. éksz.)

3. FREIGHT OF THE TOLDY CONVOY AT THE DEPARTURE FROM BRENNBERGBÁNYA

<i>Case markings</i>	<i>No. of cases</i>
Ar.	41
Br.	8
Ar. p.	3
[iron caskets]	2
Total:	52 cases and 2 caskets

4. EVENTS IN HALLEIN

a) Contents of the truck of Ensign Galambos:

<i>Case markings</i>	<i>No. of cases</i>
Ar.	38
Ar. p.	1
Br.	4
[iron caskets]	2

b) Of these, the following cases were loaded on the train:

<i>Case markings</i>	<i>No. of cases</i>
Ar.	10 (Nos. 1, 4, 6, 7, 9, 22, 23, 24, 31, 39)
Ar. p.	1
[Casket]	2

c) Of these cases, Balogh took the following (on April 24):

<i>Case markings</i>	<i>No. of cases</i>
Ar.	13 (Nos. 43, 13, 27, 25, 8, 3, 21, 5, 20, 14, 2, 26, 12)
Br.	4 (Nos. 1, 5, 8, 6)

+ from the train, the following (on April 24):

<i>Case markings</i>	<i>No. of cases</i>
Ar. o.	3 (Nos. 1, 26, 28)

+ from the train, the following (on April 27):

<i>Case markings</i>	<i>No. of cases</i>
[iron casket]	2

5. AFTER HALLEIN

a) Train

<i>Case markings</i>	<i>No. of cases</i>
Ar.	10 (Nos. 1, 4, 6, 7, 9, 22, 23, 24, 31, 39)
Ar. o.	32 (Nos. 24, 23, 20, 19, 31, 9, 22, 8, 27, 15, 5, 12, 10, 32, 6, 2, 25, 29, 11, 17, 16, 13, 18, 4, 14, 3, 34, 7, 33, 30, 21, 35)
Ar. éksz.	18 (Nos. 10, 15, 27, 22, 25, 17, 20, 21, 24, 13, 26, 23, 14, 16, 19, 12, 11, 18)
Ar. p.	1 (No. 3)
Total	61 cases (these had gotten under u.s. control)

b) Toldy:

<i>Case markings</i>	<i>No. of cases</i>
Ar.	31
Ar. o.	3
Ar. p.	2
Br.	8
[iron caskets]	2
Total:	44 cases and 2 caskets

6. CHANGES IN THE COURSES OF TOLDY'S FURTHER JOURNEY

a) The Westens took 6 cases.

b) 38 cases and 2 caskets got under French control.

List of Abbreviations

ACACC	Allied Control Authority Control Council
ACC	Allied Control Commission
AES	Army Exchange Service
ANB	Austrian National Bank
BdS	Befehlshaber der Sicherheitspolizei und des Sicherheitsdienstes (Senior Commander of the Security Police and Security Service)
CIC	Counter Intelligence Corps
CID	Criminal Investigation Division
DEGOB	Deportáltakat Gondozó Országos Bizottság (National Committee for Attending Deportees)
DRB	Deutsche Reichsbank (German Reich Bank)
DWB	Deutsche Wirtschaftsbetriebe G.m.b.H. (German Economic Enterprises)
ED	Economic Division
EKSZ/EX	Etelközi Szövetség (Etelköz Alliance)
ÉME	Ébredő Magyarok Egyesülete (Society of the Awakening Hungarians)
FRG	Federal Republic of Germany
GP	Gold Pool
HNB	Hungarian National Bank
IGCR	Inter-Governmental Committee on Refugees
IRO	International Refugee Organization
JA	Jewish Agency for Palestine/Israel
JCS	Joint Chiefs of Staff
Joint	American Jewish Joint Distribution Committee
Kds	Kommandeur der Sicherheitspolizei und des Sicherheitsdienstes (Commander of the Security Police and Security Service)

KEOKH	Külföldieket Ellenőrző Országos Központi Hatóság (National Central Alien Control Office)
KKV	Kettőskereszt Vérszövetség (Double Cross Blood Allegiance)
KÜM	Külgügyminisztérium (Ministry of Foreign Affairs)
LD	Legal Division
MG	Military Government
MGA	Military Government Austria
MMÉNSZ	Magyar Mérnökök és Építészek Nemzeti Szövetsége (National Alliance of Hungarian Engineers and Architects)
MMP	Magyar Megújulás Pártja (Hungarian Renewal Party)
MONE	Magyar Orvosok Nemzeti Egyesülete (National Alliance of Hungarian Physicians)
MOVE	Országos Véderő Egylet (Hungarian National Defense Force Alliance)
OMGUS	Office of Military Government in Germany, US
ONCSA	Országos Nép- és Családvédelmi Alap (National People and Family Protection Fund)
OSS	Office of Strategic Services
PCB	Property Control Branch
PCIRO	Preparatory Commission of International Refugee Organization
PCO	Property Control Officer
PM KVMJÜ	Pénzügyminisztérium Külföldre Vitt Magyar Javak Ügyosztálya (Ministry of Finance Department of Hungarian Assets Taken Abroad)
RDRD	Reparation, Deliveries and Restitution Division
RG	Record Group
RM	Reichsmark
RSHA	Reichssicherheitshauptamt (Reich Security Main Office)
RuSHA	Rasse- und Siedlungshauptamt (Race and Resettlement Main Office)
SD	Sicherheitsdienst (Security Service)
SEK	Sondereinsatzkommando Eichmann (Special Action Unit Eichmann)
SS-WVHA	Wirtschafts-Verwaltungshauptamt der SS (Economic and Administrative Main Office of the SS)
SWNCC	State-War-Navy Coordinating Committee
TGC	Tripartite Gold Commission
TÜK	titkos ügykezelésű iratok (classified documents)

USACA	United States Allied Control in Austria
USACS	United States Austria Currency Section
USFA	United States Forces in Austria
USFET	United States Forces European Theater
WMM	Weiss Manfréd Művek (Weiss Manfréd Works)

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BFL	Budapest Fővárosi Levéltár (Archives of Capital Budapest) (Budapest, Hungary)
CZA	Central Zionist Archives (Jerusalem, Israel)
HML	Heves Megyei Levéltár (Archives of Heves County) (Eger, Hungary)
IZ	Institut für Zeitgeschichte (Institute for Contemporary History) (Munich, Germany)
JDCA	American Jewish Joint Distribution Committee Archives (New York, USA)
MOL	Magyar Országos Levéltár (Hungarian National Archives) (Budapest, Hungary)
MZSML	Magyar Zsidó Múzeum és Levéltár (Hungarian Jewish Museum and Archives) (Budapest, Hungary)
NACP	National Archives and Records Administration, College Park (Maryland, USA)
NML	Nógrád Megyei Levéltár (Archives of Nógrád County) (Salgótarján, Hungary)
PML	Pest Megyei Levéltár (Archives of Pest County) (Budapest, Hungary)
TH	Történeti Hivatal (Office of History) (Budapest, Hungary)
YVA	Yad Vashem Archives (Jerusalem, Israel)

2. OTHER COLLECTIONS AND SOURCES

Alford Collection

Documents collected by American researcher Kenneth D. Alford. The numbered copies are located in the archives of the Ministry of Cultural Heritage's Directorate of Cultural Heritage (Kulturális Örökség Igazgatósága) (327-10/2000 KÖI ref. no.)

Alford Collection „B”

Documents collected by American researcher Kenneth D. Alford. The numbered copies of the documents are in the possession of the authors.

Egon Mayer Collection

Documents collected by Egon Mayer, the director of the Graduate Center, City University of New York, Center for Jewish Studies. The numbered copies of the documents are in the possession of the authors.

French Report

Summary report of the research of the Directorate of Archives (Direction des Archives) of the French Ministry of Foreign Affairs regarding the history of the Gold Train. The research was extended to the following sources:

- Archives of the French Ministry of Foreign Affairs (German and Austrian Departments, European Section, Embassy in Budapest)
- Documents of the French occupational forces in Austria
- Archives of the Banque de France
- Archives of the French Ministry of Defense
- Archives of the Boudet Laboratory (gold experts).

The copies of the documents and the report are in the possession of the authors.

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